Selecting and Using Manufacturers' Agents in the United States

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Selecting and Using Manufacturers' Agents in the United States

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Acknowledgment

The Manufacturers' Agents National Association (MANA) in Laguna Hills, California, is well known and respected throughout the business community in the United States. Its efforts to foster the manufacturer-agent relationship are evident in its numerous services for members, as well as its many activities from annual seminars for both manufacturers and agents to publication of the monthly *Agency Sales Magazine*, the annual *Directory of Manufacturers' Sales Agencies* and periodic bulletins on relevant topics.

The Department of External Affairs acknowledges the valuable assistance from MANA in the preparation of this publication. In some of the chapters, MANA bulletins were utilized as resource material. In other instances, MANA's explanation of aspects of the manufacturer-agent relationship are quoted directly. Special appreciation is also extended to Georgia Gibson, the executive vice-president of MANA, for her time and efforts reading the original manuscript and the helpful suggestions she provided.

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Introduction

This publication offers some guidelines for the Canadian business manager who is considering entering the United States market by appointing a manufacturers' agent.

The chapters are organized to help prospective Canadian exporters answer three questions:

1. What are your company's goals in the United States market?
2. How can you locate a U.S. sales agent or agency appropriate for the needs of your manufacturing firm?
3. How can you support the activities of your sales agent or agency after the contract is signed?

There are many reasons why selling through an agent is an efficient method for moving both goods and services from Canada into the highly competitive United States market. For one thing, American buyers demand more frequent sales calls than their Canadian counterparts and small- to medium-sized Canadian companies often lack the sales force to comply with such buyer expectations. This problem can be overcome by appointing a commissioned manufacturers' agent.

Further, by entering into an agreement with an agent, a Canadian company immediately acquires experienced sales representation in the new territory. The agent is paid a commission only for sales completed. Compared to the alternative of hiring a direct sales force, selling through agents can reduce administrative overhead and sales costs. The training period for agents is usually minimal as the agent will already be an aggressive salesperson, who will only need to learn about the product line and policies of the Canadian firm. Also, manufacturers' agents can market the Canadian product, in the broad sales context, because they sell several related but non-competitive lines to the same customers. By so doing, agents can often discover new applications that may not be available to the salesperson who specializes in a single product line.

This publication addresses Canadian manufacturers and service suppliers across a broad spectrum of industry sectors. More information about a specific product sector is available from other well-established sources, some of which are listed in Appendices 6 to 11. From the food sector to industrial machinery or fashion apparel, there are many Canadian government offices in Canada and in the United States that will help you research the market potential for your company's product line.

One of the most encouraging factors for new exporters to remember is that many firms in the United States do not regard Canadian products as "foreign." Proximity to Canada, along with personal and corporate connections, can help you attain competitive transportation costs and delivery times.

Many U.S. manufacturers' agents tell prospective Canadian suppliers at the outset that the agency is in business for the long term and not just to make a quick profit. The guidelines suggested in this booklet should help you establish an open line of communication with a sales agent in your targetted region. We hope that continued good communication with your agent(s) will ensure that you gain an ever-stronger foothold in the United States market.

Any questions you have should be sent to:

United States Trade, Tourism and Investment
Development Bureau
Department of External Affairs
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

or

Export and Transportation Services Division
Export Development Programs
and Services Bureau
Department of External Affairs
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

A Step-by-Step Approach

To Selecting a Manufacturers' Agent in the United States

■ **Step 1.**

Prepare a long-term market plan for your company and select the products you want to launch in the United States. Include details like landed price of product in the U.S. after payment of any duties, customs brokerage fees, insurance, and so on. (See Appendix 2.)

■ **Step 2.**

Research the U.S. market for both state and national government regulations and conditions controlling the entry and sale of your product. Check for acceptability of the product specifications. (See Chapter 1.)

■ **Step 3.**

Determine the logical U.S. territories to launch your product. Consider such factors as proximity to your plant, and competition. (See Chapter 2.)

■ **Step 4.**

Prepare a sample presentation of your products, including landed price in the U.S., delivery terms and samples if appropriate. (See Chapter 2.)

■ **Step 5.**

Write to the Canadian consulates in the selected U.S. territories and state your goals. Include step no. 4 in your information. At this stage, the trade commissioners can provide advice about market conditions in their territory. You can also obtain general guidance and the names of some agents specializing in products sold to the types of customers you are targetting. (See Appendix 6 and Chapter 3.)

■ **Step 6.**

Write to the manufacturers' agents selected, clearly stating your aims in seeking sales representation. (See Chapter 3.)

■ **Step 7.**

Make a trip to the selected market area to survey the competition first-hand. Let the Canadian consulate know about your plans *in advance* if you are seeking an appointment that fits your itinerary. The trade commissioners will know many of the manufacturers' agents and representatives in the post's territory. (See Chapter 4.)

■ **Step 8.**

Follow up on the information you collected on the trip. Do you need to make changes in your market strategy? (See Chapter 4.)

■ **Step 9.**

Compile a short list of manufacturers' agents to interview. (See Chapter 3.)

■ **Step 10.**

Visit those agencies that you consider to have serious potential. Have one or two of the agencies' sales staff visit your production facility and offices. (See Chapter 4.)

■ **Step 11.**

Obtain expert legal advice. (See Chapter 6.)

■ **Step 12.**

Negotiate the terms of an agreement with the agent you have selected. (See Chapter 6.)

■ **Step 13.**

Keep the lines of communication with your agent open at all times. Support your agent's efforts in the new territory. Emphasize frequent and continued contact to resolve all problems with your agent and with your U.S. customers. (See Chapter 7.)

Section

I

The Manufacturer-Agent Relationship: A General Discussion

Chapter 1

Decisions, Decisions. . .

Do Canadian Manufacturers Need Agents in the U.S.?

As a manager of a small- to medium-sized Canadian company, you may be eyeing the large United States market, planning for the day when you can launch your product line south of the border. That day might be closer than you think. The amount of time and capital required to develop a new export market can be a limiting factor, but a well-qualified manufacturers' agent can be an economical and effective way for a Canadian manufacturer to develop and keep a share of the lucrative American marketplace.

Depending on the type of agreement you as a manufacturer negotiate, the agent can help your firm adapt to the conditions in the new market, provide personal and frequent contact with customers, and even propose changes in your product to yield continued buyer satisfaction and better market penetration.

Agents, Brokers, Distributors. . . Is There a Difference?

The answer to this question is yes, but the terms "agent," "broker" and "distributor" are sometimes used interchangeably. This publication focusses on the relationship between manufacturer and indirect sales agent, but there are other types of arrangements that Canadian manufacturers can make to have someone else do the selling on their behalf. The terms defined here are traditional ones, and all denote some form of indirect representation for the manufacturer in the designated market territory.

■ Agent

Depending on the terms of the agreement, agents or manufacturers' representatives can be authorized to enter into contractual sales agreements with customers on the manufacturer's behalf. Agents usually work on commission, but may prefer to work on a retainer with an agreement regarding expenses. They can provide many types of expertise, including market intelligence if it is part of the agreement with the manufacturer. Several related but non-competing lines can be handled for more than one supplier. The usual process for concluding a sale involves the agent obtaining the order and the manufacturer supplying the goods and invoicing the customer directly. The manufacturer then collects the payment and pays the agent a commission on the sale.

The manufacturer-agent-customer relationship is not always as clear-cut as the above explanation might lead you to believe. In industrial markets, manufacturers' agents often sell products through distributors. In such cases, you, the Canadian supplier, might give your agent the authority to hire and fire distributors as necessary. The agent becomes your field sales manager and receives commissions on products sold by the distributors or on reorders by the distributors. In turn, the agent supports the distributors by training sales people, making sales calls with the sales staff, giving them leads and, sometimes, providing after-sales service.

■ Distributor

The distributor can be the best indirect sales option in a new market for some products. Manufacturers of hardware or automotive parts and accessories, for example, frequently contract with distributors to channel their goods to the customer. The distributors buy the products from the manufacturer, stock them in their warehouses and re-sell them to customers in their regions. The Canadian supplier must expect longer terms of sale in such transactions. The negotiation on price is important because the distributors set their own prices to include the profit on the sale. The manufacturer thus loses some control of the marketing process, and this extends to delivery, because the distributors supply the goods directly to the customers.

■ Broker*

Brokers pursue individual sales on their suppliers' behalf, and pass requests for quotations on products to their suppliers for a response. For brokers, it is just as important to please their customers as their suppliers. This means that if the product of a Canadian company is not as price-competitive as that of another supplier, the broker may sell a competitor's product to keep a regular customer satisfied. The broker may be paid a commission on sales, or sometimes the agreement will stipulate that a broker will take legal title to and physical possession of the product, warehouse it, and ship it from the broker's premises in the market territory.

Generally, the Canadian exporter retains most control over the indirect sales representation process if a manufacturers' agent is contracted to do the selling. Greater market coverage is assured. An agent will call on all distributors, dealers or other suitable purchasers.

* Note that "broker" here refers to an indirect sales representative arrangement. The term bears no connection to a "customs broker," who assists in clearing products through the U.S. border.

Analyzing Your Market Needs

Whatever sales representation you select to launch your product in the U.S., the initial steps lie within your company's decision-making chain. Basically, these first steps include answering the following questions:

- What does the product offer the American customer?
- What is the demand for this product in the U.S.?
- Which region(s) of the U.S. is the company likely to target most successfully?

Consider the regional demand in the U.S. as well as your capability to produce sufficient amounts for reliable and consistent delivery. Consider proximity to the market and transportation costs to reach that market by the most efficient method for your product, including customs brokerage fees. Can you still be competitive with the suppliers who are already selling in the region you have targetted?

Let us suppose you do not as yet have any business contacts in the U.S. Where do you start to research the market so that you can make decisions on all the above issues?

Canada's trade commissioners posted in the Canadian Embassy and 12 consulates in the U.S. can provide you with a broad range of information about the state of the market for your product within their assigned territory. Be precise in your request for assistance. If the trade commissioner is not able to obtain up-to-date information to answer your inquiry, you will be given other contacts in agencies of the U.S. government. Examples of just two subjects which every Canadian exporter should research are the state transportation regulations and guidelines concerning product composition.

The trade commissioners in the Canadian consulates also have compiled data bases of manufacturers' agents for various product categories in their region. Manufacturers' agents often visit the Canadian posts to make themselves known and to attend trade-related events organized for Canadian suppliers by the trade commissioners. Chapter 2 outlines the information you should have available when contacting the Commercial Division at a consulate for assistance. Information on U.S. customs considerations such as import tariffs, "country of origin" marking, labelling and other import requirements can be obtained from:

United States Trade Relations Division (UET)
Market Access Section
Department of External Affairs
125 Sussex Drive
Ottawa, Ontario, K1A 0G2
Tel: (613) 993-7484
Telex: 053-3745

Information about programs for new exporters, such as the Program for Export Market Development (PEMD), New Exporters to Border States (NEBS) and New Exporters to the U.S. (NEXUS) can be obtained from the Department of External Affairs' International Trade Centres co-located with the regional offices of Industry, Science and Technology Canada (ISTC) and from the ISTC offices in the Yukon and Northwest Territories. (See Appendix 7.)

Other Management Decisions

If your company is following an established marketing strategy, you will be able to answer most of the questions that prospective sales agents will ask you. If this is not the situation, it is recommended that you devise an overall marketing plan for the company, encompassing the objectives of both domestic and export sales. Many small- to medium-sized businesses contract a marketing specialist to assist them in this task.

As an export manager or sales manager of a company who is trying to decide on the most appropriate approach for exporting to the U.S., it is crucial that you answer the following questions before you begin your search for the right type of manufacturers' agent:

- What has your company accomplished to date in terms of an overall marketing plan for your products and services?
- Where is your company going in the short term (one to five years), and in the medium term (five to ten years)?
- What is your short-term sales goal in the prospective new market region? What about long-term goals? Include volume and value of sales estimates.
- Do your chief executive officer and comptroller understand what your market strategy is all about? Are all divisions of the operation on side and prepared to work with manufacturers' agents from time to time in company meetings?
- What kind of customers will you target in the U.S.? You should segment the U.S. market first and target only the customers you can supply readily until you get a firm handle on the market reaction to your product.
- Do you want the manufacturers' agent to do market research for your company? If so, are you willing to pay for this service? (You must pay for the service if you want it.) Can your own company staff handle sales surveys, mailing lists and other periodic research tasks with an agent's guidance?
- Do trade shows enter into your market plan? Who will work the show booths — your company staff or your agents in the U.S.? Be prepared to work out these details.

- What kind of sales reporting system do you expect? (Many agents do not file formal reports. There are many types of agent-to-manufacturer communication and you must be open to discussion and prepared to offer some alternatives to a daily or weekly written reporting system.)
- Are you prepared to train experienced manufacturers' agents about your company's policies and product capabilities? (Be prepared with a plan to discuss with prospective agents. They will know how to sell, but is that all they need if they are to be a spokesperson for your company? Let us hope not.)
- Have you examined carefully the cost comparison between hiring a manufacturers' agent versus hiring a salaried salesperson on your company staff to handle your product line in the U.S.? Consider that independent agents pay all their expenses including travel, entertainment, insurance, pension and so on, and are only paid for the actual sales concluded. Ask your comptroller and accountant to help you examine this issue.*
- How important to you is control of the sales function compared to sales results? Independent manufacturers' agents are in business because they know from experience that they can sell very well. Good agents with related but non-competing lines can sell all of their products and service their customers with a more complete package. Are there advantages for your company in this type of representation or is control of a salesperson's time more important to the way you operate your business?
- Are you prepared to treat a professional manufacturers' agent as well as you treat a company salesperson on your staff? Agents expect to be treated with respect as they already have their customers' loyalty. This is important should any disagreement arise between you and your agent. Upon termination of your agreement, the agent's customers may move their business to the agent, and you, the Canadian supplier, will have to start over and rebuild a clientele in the same territory with a new agent.

While this list of considerations may seem very basic to an experienced business manager, it will prove helpful in preparing for meetings with prospective manufacturers' agents in the U.S., even if only one item listed was not on your original planning agenda.

Working with agents requires careful teamwork. Generally, all aspects of the company's operation become involved in the manufacturer-agent relationship. The remainder of this booklet discusses how to build the team that will introduce your company's product into the United States.

* Most Canadian sales executives are aware that the cost of keeping a salesperson on the road in Canada is approximately $60 000 to $70 000 per year. Further, once all the administrative costs are added, the final estimate is between $80 000 and $100 000 per year.

Chapter 2

What Your Company Offers an Agent

The main purpose of this chapter is to emphasize how important it is for your company to sell an agent on what *your* product line can do for *the agent's* business. Does this seem a backward approach to take when seeking new export sales? If it does, all the more reason for taking a few minutes to see if you have all of the following bases well covered in your marketing plan.

Communicating Your Capabilities

After you have met with your own company executives and made the initial decisions about the extent to which you are prepared to market in the U.S. through manufacturers' agents, you must write a concise summary introducing your product and company to Canada's trade commissioners in the U.S., as well as to the agents you will soon meet. Everyone who can help you will be brought on side much more readily if you present your background information and goals in an organized manner. This will show the effort your company is willing to make to penetrate the new market area.

A checklist of points to include in your outline of market objectives and information about your company's capabilities follows:

■ 1. Domestic market success

By what means are you distributing your product in Canada? Give some indication of your success in terms of value and volume of sales per year and the main categories of customers in Canada. A list of a few customers should be provided as a reference. If you are using indirect sales representatives in Canada, how are they doing in your estimation? Provide sales statistics to support your example.

■ 2. Past approaches to the U.S. market

Do you have any experience in selling to customers in the United States? Have you participated in any trade shows there? Has preliminary market research indicated that major changes to your product components or packaging may be necessary to meet customers' requests or standards regulations in the U.S.? The U.S. Food and Drug Administration, for example, issues product composition standards for many industry sectors. Packaging and labelling information is available from:

United States Trade Relations Division (UET)
Market Access Section
Department of External Affairs
125 Sussex Drive
Ottawa, Ontario, K1A 0G2
Tel: (613) 993-7484.

■ 3. Selected market region in the U.S.

Have you determined which region of the United States to target first? Secure the advice of trade commissioners at the Canadian consulates about market segmentation of sales agents' territories. Refer to Appendix 6 for the territorial responsibilities of the Canadian Government's posts in the United States.

The states closest to the Canada/U.S. border are usually the best areas for Canadian exporters to start penetrating the U.S. market. It is suggested that you open up two or three territories simultaneously to assess agent performance better.

As a general reference, look at the map "Typical Marketing Areas" in Appendix 1. The Manufacturers' Agents National Association (MANA) has designated the territories marked on this map as suggested marketing regions. Your product, types of customers, and their frequency within a geographic area, as well as the agent's established territory, are all important in deciding how large your initial market territory should be. There is no standard guideline for the size of your first market territory.

4. Pricing

The price of your product should be calculated in terms of the landed price in the United States (f.o.b. at nearest border crossing point, destination or nearest major U.S. city) and must be in US dollars. It should include such items as the agent's commission (pick an average for now from the chart in Appendix 3), U.S. customs duties, if applicable, any U.S. customs house brokerage charges, and insurance and freight charges. It is advisable to consider Export Development Corporation (EDC) export credit insurance (approximately 1 per cent premium) for protection against bad credit. See the two types of policies offered by EDC for exporters to the U.S. Seventy per cent of claims paid by EDC are for non-payment by U.S. firms.

A good reference for the calculation of the landed price can be found in Appendix 2, from which you should make up your own pricing worksheet. Make sure you include the fee paid to a reputable U.S. customs broker, who can ensure a smooth border crossing and speedy access to your delivery point in the United States. Find out what a quotation looks like when it comes from a competitor, and make sure yours is comparable.

5. Delivery schedule

The delivery schedule is crucial to many U.S. buyers, especially if they are original equipment manufacturers (OEMs). Many U.S. factories keep low inventories and Canadian suppliers will have to prove they are capable of supplying on a rigid delivery schedule. The schedule dates from the day the order is received.

Some manufacturers' agencies are large operations which can provide warehousing for the Canadian manufacturer's product. In most cases, however, you as supplier will need to find a reputable U.S. customs broker at the border port of entry to ensure smooth and quick access for your shipments to the new customers in the U.S.

Many regional transportation commissions and agencies in Canada as well as both federal and provincial ministries of transportation can assist you in researching the most cost-effective and efficient means of transport to particular markets in the United States.

To obtain the best possible freight cost quotations, it is recommended that you contact regular trucking companies as well as freight forwarders.

6. Company or product warranty

The subject of warranties is also very important if you are going to work through agents. There must be a complete understanding of what your product can do and what you will accept liability for. How far does your product guarantee go? Put this in writing in product brochures or in specifications for components. Later you must educate the agent about your warranty and be sure that the agent does not overstate it.

Buyers in a new market will have many questions to ask your agent concerning the Canadian company's quality control procedures. Include a brief description in this introductory presentation.

Company Services and Promotional Support

The type and quality of head office support a Canadian supplier can give to an agent ranges from service requirements to more tangible items such as product samples. Planning to hire a manufacturers' agent implies that provision will be made within your company team to respond to such needs as soon as the contract is signed, and before the first potential customer is contacted.

Examples of services that you should have in place to supply an agent's needs are:

- a ready supply of order forms, quotation forms and other administrative forms;
- speedy replacement of unacceptable merchandise for a dissatisfied customer;
- a plan for sales meetings and resources;
- visits by particular company staff to U.S. customers (engineer or quality control manager, perhaps);
- direct mail research questionnaires and analysis to test market reaction to new products or services;
- a plan for a system of financial bonuses or rewards other than commissions; and
- a system of financial discount allowances(by volume and type of customer).

The following are examples of tangible support a Canadian supplier should be prepared to give a U.S. agent. These items will vary according to the supplier's product and the type of customer on the agent's call list.

- Product samples
- Merchandising racks or other aids
- Good quality company brochures (in colour, preferably)
- Export price lists
- Product specification sheets

- Packaging size and design to suit various types of customers targetted, as well as national or state regulations
- Direct mail promotional sheets, possibly seasonal, if appropriate to your industry sector
- Advertising materials, e.g. camera-ready artwork for publication in trade journals

In some industry sectors, you might require the input of an experienced agent before you spend money on company support materials such as brochures that should be designed for a particular type of U.S. customer.

The client's needs may be different from those of your customers in Canada.

When a manufacturers' agent sees that you, the supplier, are ready to provide the types of support listed above, the agent will feel more confident about the future success of your relationship. An agent who is motivated by a good product, properly priced, and given the necessary supplier support services, can be expected to make more sales for the manufacturer during the introductory period in the United States than the agent who receives little communication from the Canadian manufacturer once the contract is signed.

Supplier Responsiveness

Responsiveness on the part of the Canadian exporter involves more than the support mechanisms given to the new manufacturers' agent described above. Any U.S. agent who has previously represented Canadian companies will ask you about the important question of responsiveness in any relationship with a supplier. The long-term considerations include such things as:

- adaptability to shifts in customers' tastes and preferences e.g. changes in product or packaging;
- a consistent approach to the U.S. market, regardless of whether or not the Canadian market for the product is soft in a particular time period;
- a willingness to consider ideas such as co-operative advertising; and
- provision to the agent of advance warning about interruptions in supply because of plant production problems.

Chapter 3

Locating Manufacturers' Agents to Interview

The Nature of the Manufacturers' Agency in the U.S.

Many Canadian business managers reading this publication will have considerable experience with domestic manufacturers' agents who sell their line in the Canadian marketplace and will be familiar with the general guidelines provided in Chapter 2. Canadian independent sales representatives and agents operate in ways very similar to manufacturers' agents in the United States.

The significantly larger market and greater potential for sales in the U.S. compared with Canada means that finding the right kind of agent to represent your line is a demanding task. The first consideration must be matching your plant's production capability with the likely demand in the agent's territory. Agents want their orders filled promptly. They lose clients fast when back orders build up. The initial effort to find the right agent or agency is worthwhile.

A section from a MANA bulletin entitled "1987 Profile of the Manufacturers' Sales Agency" is reproduced in Appendix 5. The statistics in this bulletin are drawn from the results of MANA's survey of member agencies, and they provide a quick picture of the typical manufacturers' agency in the U.S. The average agency statistics represent a composite, made up of corporations, partnerships and sole proprietorships.

The business structure of the manufacturers' agencies which responded to the MANA survey is varied. Fifty-nine per cent of the respondents are full-fledged corporations, 26 per cent are sole proprietorships, 12 per cent are Sub Chapter-S corporations* and the remainder are partnerships.

The composite profile of the average manufacturers' agency responding to the 1987 survey indicates that the agency has more than one office and employs approximately 3.5 salespeople to cover 5 states for the 10 principals it represents.

An interesting fact associated with this survey is that 30 per cent of the responding agencies in the U.S. provide warehousing facilities for their principals, while another 43 per cent perform the functions of distribution as well as representation.

* A Sub Chapter-S corporation, now known as S corporation, is one that has elected, by unanimous consent of its shareholders, not to pay any corporate tax on its income (except capital gains in special circumstances, certain passive investment income, and certain investment credit recapture) and, instead, to have the shareholders pay taxes on it, even though such income is not distributed.

An S corporation and its shareholders are treated, in effect, like a partnership and its partners. The corporation is a conduit through which the items of income, deduction, loss, and credit flow to the shareholders and retain their character in the hands of the shareholders.

The agencies' experience should also be of interest to prospective Canadian exporters. Of the agencies surveyed by MANA in 1987, the average manufacturers' agency had been in business for 15 years. Its gross revenue in 1986 was $280 099 (US) based on a gross business of $4 402 986 (US) for the year. It is important to note, however, that sales agencies which have been in business for less than five years should not be discounted as viable representatives in the United States for the Canadian supplier. There are many ways to evaluate an agency's effectiveness. (See Chapter 4.)

Most sales agencies in the United States sell to more than one type of customer. The results of the survey also provide a breakdown by percentage of the types of purchasers which agencies target.

Sources of Information about Agents

What should you do to locate the most likely agents in the U.S. to represent your products and your company? Prepare a profile of what you consider as the ideal agent. Then decide where you can learn, by the most efficient means, about prospective agents active in your industry sector. Some of the alternatives you can explore are listed below.

1. Government Contacts

The first stop you should make is the Canadian consulate located in the U.S. region you are targetting. (See Appendix 6.) Send a letter to the Commercial Division of the consulate outlining your plans. See Chapter 2 for key points to include in the letter. The consulates' trade commissioners keep records of the agents, distributors and brokers operating within their territory.

Inquire about your eligibility to participate in the New Exporters to Border States (NEBS) seminars. This program allows a group of about 20 companies to visit a U.S. entry point for on-the-spot presentations on all phases of exporting. Experts are present to discuss such topics as export documentation, U.S. customs clearance procedures, insurance, manufacturers' agents and distributors, export pricing, warehousing, accounts collection, and so on. An officer from the Canadian consulate nearest to the border entry point will be present to discuss a market strategy for your particular product needs.

NEBS missions are organized through Seattle (for British Columbia and Alberta companies), Minneapolis (for Saskatchewan and Manitoba companies), Detroit and Buffalo (for Ontario and Quebec companies) and Boston (for Atlantic and Quebec companies).

A new program, New Exporters to the U.S. (NEXUS), is designed to take the successful graduates of NEBS deeper into the U.S. marketplace, for example, the southeastern and southwestern states.

The trade manager of your regional International Trade Centre (see Appendix 7), as well as your province's trade development department (see Appendix 8), can explain the eligibility requirements for the NEBS and NEXUS programs.

Both the federal government's trade commissioners and the provincial governments' trade development officers organize special promotions for Canadian suppliers interested in penetrating the U.S. market. The Canadian consulates frequently co-ordinate displays of Canadian products in U.S. cities, to which local sales agents and distributors are invited.

■ 2. Trade Shows

You can obtain good leads about agents by approaching other companies at industry sector trade shows. Their agents might sell a line which does not directly compete with your products, but which is sold to the same potential customers. There is little substitute for a word-of-mouth recommendation for an agent who has performed well for someone else.

A listing of most regional and national industry trade shows in the U.S. can be found in the *Directory of International Trade Fairs* published by Co-Mar Management Services Inc., 366 Adelaide Street East, Suite 339, Toronto, Ontario M5A 3X9. Tel: (416) 364-5352. The price is $45 (Cdn).

■ 3. Manufacturers' Agents National Association (MANA)

MANA, in Laguna Hills, California, is the U.S. agents' association which is national, but not industry specific. The MANA *Directory of Manufacturers' Sales Agencies* includes listings for both new and experienced agents, organized by geographic area and by industry. MANA's monthly magazine, *Agency Sales Magazine*, is a good way to make contacts and keep up with issues related to sales representation. There is a subscription fee for these publications. In *Agency Sales Magazine*, you can also advertise your requirement for a manufacturers' agent for a particular U.S. region.

■ 4. Trade Associations of Manufacturers, Retailers or Agents

Appendix 9 lists a number of agents' associations in many industry sectors. Every effort has been made to list associations with sufficient administrative staff to assist Canadian firms that contact them. The associations can provide specific answers to questions about business practices in their sectors and regions. Some of the regional industry associations sponsor their own trade shows and have available, for a fee, directories of manufacturers' agents.

■ 5. Referrals from Canadian Companies or American Buyers

Your industry colleagues in Canada might be able to give you the most valuable information about agents, possibly even the names of their own agents in the United States. If you are already selling to one or two key buyers in the U.S., why not ask them for the names of some reputable agents from whom they would be willing to receive sales calls on your behalf?

■ 6. Trade Journals or Magazines

Recent issues of trade journals within your particular industry sector could provide names of agents. In the United States there are trade journals focussing on everything from the doll collectors' market, toys or hobbies, to the automotive after-market. Manufacturers' agents and Canadian suppliers often meet through advertisements in these magazines. A visit to your local library may prove useful.

There are many ways to locate manufacturers' agents, but beware; finding the right agent is not easy. There has to be the proper chemistry between the two parties and you should be aware that break-ups are commonplace.

Initial Contact with Prospective Agents

Assuming you have the names of at least 10 interesting prospective agents, how do you check them out?

Compose a series of questions to ask each agent in a letter. Have your marketing strategy close at hand for reference. Here are a few things you might consider:

- Is the agency growing or is it as big as the owner wants it to be? How many field personnel does the agency have?
- In the agent's opinion, are the lines the agency is carrying compatible with your company's product line? Why or why not?
- What types of customers does the agency call on now? Provide your list of customer categories for your firm's product line and include your customer profile as far as you know it from your research. Can the agency cover these potential clients for your firm?
- State briefly your preliminary marketing and sales goals in the agent's territory.
- Can the agency give you at least 20 per cent of its business time? (This is a chancy question at this stage, but it can be an asset to be assertive in a new market.)
- Request customer references including one from a principal of the agent.
- Can the agency provide service if your product requires field assistance? How is this handled for the agency's other principals?
- What is the agency's assessment of the prospects for your company's product line in its territory? Are there any changes the agency would recommend in your product?
- How large is an average order for products such as yours from the agency's customers?

The replies from this initial communication can tell you a great deal about the extent of an agent's experience, how anxious the agent is for new business, and the degree of interest the agent has in representing your company. Talk of sales commissions can be left until the next stage in the screening process.

Do not hesitate to follow up your letter with a telephone call if the response does not come as soon as you hoped. Agents like to know how interested you are in their business, as well.

What if an agent is not interested in your firm or does not feel able to represent your line in the agent's U.S. territory? Do not let the matter drop. Find out the reasons. This research can help you make a better impression on other agents, as well as target necessary changes in your marketing strategy.

Narrowing the List

The search for prospective agents to contact might be over, or you might have to look further and obtain the names of additional agents by recommendation from your industry contacts. If you have received sufficient responses from agents to move ahead, it is time to do some final checking before the interview process begins.

Checking out the agents' references is an important part of the selection process. You should telephone the customers and other principals whose names the agents supplied. Sometimes you might find that the first impression you had of an agent was incorrect. You can also benefit from knowledge of any problems the agent and another principal had to overcome.

How can you do a credit check on your final list of prospective agents? Dun and Bradstreet is one of the service companies which is used frequently, and your bank can arrange a credit check for a fee. You should also ask the agent for a bank reference at some stage in the screening process.

In the general course of things, you will most likely decide to cross several of the agencies you screen off your list of prospective agents. However, this may not be due to negative factors you discover about these agents. Reference checks can save you time and money by helping you avoid interviewing agents with whom you share few mutual business interests.

Chapter 4

The Interview

Setting the Interview Dates

When you are ready to set up appointments with the agents on your short list of good prospects, plan to visit them in their territory. If any of the agents choose your plant for the interview location, allow yourself enough time to visit the territory you are targetting before the interview takes place. Such a visit provides an opportunity to meet potential customers. This can be helpful, especially if you have not been selling directly to any buyers south of the border. Advise the agents well in advance of your visit, and arrange to call on a few potential purchasers together.

How the Canadian Consulate Can Help

The Commercial Division at each of the Canadian consulates in the United States has years of hands-on experience liaising between agents and manufacturers. You should have contacted the consulate long before you decided to make this trip to the United States as final preparation for the interviews with agents.

If the consulate has a file record of your company's marketing plans for its region of the United States, (see Chapter 2), you can be sure that when you call for an appointment, the commercial officers will be ready with information about a few potential buyers you can visit.

The commercial officers in the consulates can often assist you with final details for interviews with agents, particularly if the agents' home territory is close to the consulate. There is often an office in the consulate that you can use for the interviews, or a larger area to display product samples and literature.

The consulate's commercial officers can also introduce you to regional associations of agents or other manufacturers in your industry sector. These organizations can provide updated information on doing business in their region. Depending on your type of business, the consulate's officers might suggest you join a regional association of manufacturers which organizes annual or semi-annual trade shows and invites the buyers in the region. This may be helpful to the Canadian manufacturer who is trying to learn local trade practices as quickly as possible.

Your First Marketing Visit

How does your competition approach the market in the region you have targeted? A few days spent surveying the business environment in the U.S. region selected will pay dividends when you sit down to interview agents.

If it is appropriate for your industry sector, visit some retailers to have a close look at the competition's product lines, pricing, and the space each line commands on the display racks in retail stores. If your industrial product is going to be sold mainly to U.S. manufacturers, visit some plants in the territory to learn how these potential customers approach purchasing decisions for products such as yours.

From your viewpoint as the Canadian supplier, the U.S. competition in your product line can seem impressive. An experienced commercial counsellor at a Canadian consulate in the U.S. suggests that "there is something else to keep in mind, regarding your meetings with both agents and potential customers: their experiences with Canadian suppliers in the past can work either in your favour or to your detriment." Canadians are often perceived as push-overs by U.S. agents, who are used to more aggressive U.S. manufacturers. You also might have to contend with suspicion and extreme caution from a good agent who has terminated an agreement with a previous Canadian exporter who did not deliver on time or did not supply the specified quality of product which was promised.

Beware of the oversell. On your part, it can be tempting to overstate what your company can do when you are starting to sell in a new territory. On the other side, some agents who recognize a good product with high potential in their territory might offer to make commitments they cannot keep.

In summary, it is best to be completely honest about your capabilities as a supplier, as well as realistic about your expectations of an agent, especially in the short term. Such an approach can get your interviews off to a good start.

Are You Ready to Be Interviewed?

It will come as no surprise to you that the manufacturers' agents in the United States will be interviewing you while you are interviewing them. There are some steps you should follow to prepare for the agents' questions.

An experienced agent will be examining three areas of interest during the interview with a manufacturer:

1. financial status
2. management enthusiasm and integrity
3. product quality and marketability

A Canadian manufacturer should refer to the guideline "Important Points to Cover with a Prospective Principal," and be able to answer questions from prospective agents on these points.

Important Points To Cover With A Prospective Principal*

I. Product Information

A. Please name, give short description and principal applications.
B. List the advantages and disadvantages of each product in relation to competition and industry requirements. Be objective and include:
   1. Quality/performance.
   2. Production.
   3. Current delivery time from receipt of order.
   4. Service policy.
   5. Are you prepared to communicate with your agency on all matters influencing the marketing of your product?
   6. Are you prepared to completely inform all members of this agency of your product knowledge?
   7. Are you prepared to work in the field with members of this agency?

II. Pricing Information

A. Describe method used to establish price.
B. What are the policies on price? (Discounts, returns, allowances, etc.)
C. Show your price in relation to the principal competitors' prices for each product.
D. If your prices are higher than those of your competitors, can you justify them in terms of quality, service and delivery?
E. Are you prepared to provide quotes on time and follow them up in writing?

III. Market Information

A. Estimate total industry sales and unit volume attainable on each product for this territory on a short-range (1 year) and long-range (3-5 years) basis breakdown by classifications, i.e., commercial, institutional, schools, etc.).
B. Estimate the percentage share of this sales volume you now have and expect to have (breakdown by classification).
C. Estimate the share of this volume your principal competitors have (short range by product).
D. Please give your annual volume for the last three years.
E. Long-range trend on each product.

IV. Customer Information

A. Estimate number of customers for each product in this territory (short and long range).
B. Description of purchasing procedures for each product:
   1. Initial orders.
      a. Primary buying influences.
      b. Secondary buying influences.
   2. Orders after being specified.
      a. Primary buying influences.
      b. Secondary buying influences.

V. Competitive Information

A. Companies in competition by product.
   1. Number and size.
   2. Location.
   3. Characteristics.
   4. Policies.
   5. How long have they been in business?
   6. Evaluate their trade relations.
   7. Are they making a profit? Estimate.
   8. Are they growing? How fast?
B. Competitive sales situation.
   1. How good are their salesmen?
   2. What kind of reputation do their salesmen have?
   3. Is the morale of their contact people good?
   4. Do they have a high rate of turnover?

VI. Sales Information

A Description of internal sales organization.
B. Description of external sales organization.
C. System used for agent/principal communication.
D. Methods used to evaluate sales representation.
   1. Effectiveness.
   2. Reputation.
   3. Morale.
   4. Training.
   5. Reports.
E. Record of sales volume by product to date for this territory.
F. Sales objectives for next year for this territory.

VII. Production Situation

A. Is production limited or flexible?
B. Difficulties in obtaining materials (projected).
C. Pending production limitations and forecasts.

VIII. Advertising and Sales Promotion Information

A. Advertising budget for this region, if any.
B. Samples of advertising developed.
C. Description of sales promotion activities (trade shows, films, etc.).
D. Description of publicity samples and activities.
E. Evaluation of activities to date.
F. Samples of competitive advertising and literature.
G. Estimate of competitive expenditures and allocations.
H. Policies on cooperative advertising, if applicable.

IX. Sales Leads

A. How are they generated?
B. Qualified?
C. How quickly are they furnished to salesmen?

X. Agent/Principal Relationship

A. How is the exclusivity of this territory described and what are its boundaries?
B. Have you any house accounts and if so, what is your commission structure?
C. What are your policies on field back-up and visitation?
D. What is your commission structure?
   1. Percentage amount.
   2. When paid.
E. Do you currently work with a Representatives Advisory Council?
F. What are your policies for termination?

XI. Written Agreement with Agent

What are the points you would like it to cover?

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Interviewing Prospective Agents

You have now done all the groundwork needed to conduct personal interviews of prospective manufacturers' agents on your short list. The main purpose of the interview is to confirm basic information that you have collected earlier, and to explore in depth the subjects that could not be covered in preliminary correspondence.

The interaction between you and each agent you interview is very important to the future success and longevity of your relationship. Remember that any agent you hire should not be left to develop your new territory alone; you should have a partner with whom you will want to communicate with often.

Experienced personnel managers in large corporations have learned to be excellent listeners. They have fine-tuned their interview technique so that they get potential employees to expand their answers, thus revealing more about themselves than the question alone requires for an answer. In your interviews, try to avoid asking questions or making statements that can lead the agents to reply with the answers they believe you are seeking.

In order to evaluate the results of your interviews objectively, you should ask each agent the same questions and make notes of the responses.

The "Guidelines for a Manufacturer's Interview with an Agent," reproduced below, should be used as a resource list only. Not all of the questions will be relevant to your needs.

Guidelines for a Manufacturer's Interview With An Agent*

Because the selection of agents is so crucial to the success of your sales program, it is imperative that this choice be based on comprehensive information that be obtained only through pre-screening and in-depth personal interviews.

There is a tendency to classify agents as one group, but there is a wide variety of agency operations in every industry — one-man and father and son operations, firms with 10 salesmen covering a particular area, and companies with 30 salesmen and 10 offices concentrating their efforts in the metropolitan areas, etc. Each has its own advantages, and your efforts to find the proper match will succeed if you persist in the search.

The preliminary screening process should include:

(1) A general matching of the agent's sales territory with the area you wish to cover. However, it needn't be an exact fit; the agent may be willing to make adjustments to fill your needs — extend or limit his sales boundaries for you.

(2) Reviewing his product specialization and/or the industry he serves for compatability with your own role in the marketplace.

(3) Making inquiries within the industry as to the prospective agent's reputation and success in selling current lines.

Distance may dictate that you do some of your pre-screening of prospective agents by telephone. If this is the case, don't judge the worth of the candidate by the sound of his voice or by how readily he tells you what you want to hear. Use the call strictly for the gathering of facts, and to make sure you treat all the agents fairly and have some basis for comparison, use the same guidelines for all agents during your telephone interviews.

However you conduct your pre-screening, here are some of the points you will want to cover, adding or subtracting from the list as needed to fit your own special requirements:

Important Points To Cover With A Prospective Agent

I. Agency Size

A. How many field sales personnel does your agency have?
B. Do you work with sub-agents?
C. Is the owner actively involved as a salesperson?
D. What is the number of office personnel?
E. Describe any long-range expansion plans.
F. Would you be willing to expand in order to accommodate a new account?
G. If so, how would you go about it?
H. Is the agency a corporation, partnership or sole proprietorship?
I. How many offices do you have?
J. Do you have any plans for opening new offices?

II. Growth Patterns

A. How long has the agency been established?
B. Describe your sales growth pattern during this time.
C. What is your present sales volume?
D. What is your sales volume per outside man?
E. What are your sales objectives for next year?

III. Territory

A. Describe the territory covered by your agency.
B. Are you willing to expand the territory?
C. If so, how would you go about such an expansion?

IV. Product Line

A. How many lines do you represent?
B. Are your present lines compatible with ours?
C. Do you feel there would be any conflict or competition?
D. Would you be willing to change from your present product market?
E. If so, how would you handle the new product line?
F. What do you consider the minimum sales you need to justify handling our line?

V. Facilities and Equipment

A. Do you have warehouse facilities?
B. If so, what size?
C. What is your method of stock control?
D. Do you have data processing equipment?
E. If so, please describe.
F. What type of communications facilities do you have (i.e., TWX, Telex, Wats, etc.).

VI. Company Policies

A. Describe your agency's program for sales staff compensation, benefit programs and training.
B. Do you have any special incentive or motivation programs?
C. How do you monitor sales performance?
   1. Sales volume
   2. Effectiveness
   3. Morale
   4. Reputation
   5. Reports
D. Would you and/or your sales staff attend factory seminars?
E. If so, what expenses would you expect the manufacturer to pay?
F. What is your policy regarding field visitation by factory personnel?

VII. Customers

A. Describe the kinds of customers you currently are contacting.
B. Are they compatible to our product line?
C. Who are your key accounts?

VIII. Principals

A. How many principals are you currently representing?
B. Do you have a line card?
C. Would you be willing to furnish us with a copy?

IX. Marketing and Sales Promotion

A. Would you be willing to assist us in compiling market research information for use in making forecasts?
B. Are you presently doing this with your other principals?
C. What media do you use to promote your principals' products?
D. If you use direct mail, how many customers are on your mailing list?
E. What type of brochure do you use to describe your agency?

X. Special Services

A. Can your agency offer services such as writing quotes, making proposals and helping with customer education?
B. Do you have a sales reporting system?
C. If so, are present records available?
D. Do you consider your agency a sales and service organization?
E. What do you consider your agency's major strengths?

XI. Have you made contingency plans for the continuation of the agency?

XII. References

A. Banks
B. Principals
C. Customers

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Chapter 5

Selecting the Right Agent

Following-up the Interview

If you have followed through with your plan to be objective in the interviews with all the manufacturers' agents, you now have notes on each agent's responses to the same questions and you can compare the responses one question at a time. Devise a simple rating system, perhaps a 1 to 5 numbering scale, denoting quality of response.

The next step is based on a more subjective evaluation of the agents. In your interview record, you will have made certain notations for your own reference, such as: This woman exhibited more enthusiasm than the other candidates; or this man talked about promotional ideas that demonstrated a high degree of creativity in finding ways to sell my product — he appeared to be more interested than average.

What about that sixth sense that manufacturers and agents call chemistry? Maybe the assertive stance an agent took during the interview left you with the feeling that the agent would overwhelm buyers, or worse, oversell your products to customers. It is very important that you feel you can get along on a personal basis, with the first agent you appoint in the United States.

If you have not previously checked the bank references as well as customers' and principals' references for a particular agent who scored high in your interview, now is the time to do a thorough check on all three counts. You might decide to go back to the agent if you require an explanation for a discrepancy in any of the references' comments. Let us hope the agent will do the same for you if one of your references issues a word of caution to the agent about your company's past record of supplying the firm.

A Visit to Your Plant

As soon as you have selected the agent with whom you want to negotiate a contract, invite the agent to visit your Canadian head office and plant. Arrange for the other executives on your staff to meet with the agent and explain how each division operates. Make provisions for a mutually agreeable sharing of expenses for the visit to your plant.

Show the agent your company's quality control procedures, warehousing facilities and shipping system. If you are employing a direct sales staff in Canada, introduce the new agent to some members of the sales team.

Some future problems in the new U.S. territory can be handled by long-distance. From now on, your U.S. agent will be communicating with someone at your plant whom the agent has met.

Chapter 6

The Contract

Negotiating with Agents

The interviews are over. The agent of your choice has met your head office staff. It is time to complete the negotiation on all those important points you have been discussing. Some compromise is usually in order, on both sides. It is rare that even the agent you selected as the best from the interview process fits exactly into the pattern of working with your company that you envisaged in your blueprint for the ideal agency.

There are five main topics that require considerable discussion when a manufacturer and agent start negotiating to reach an agreement on how to do business together. These are:

1. Duration of the relationship
2. Duties to be performed by each party
3. Territory, specifics on geographic area and customer accounts, including exclusivity elements, if any
4. Commission and salary, if applicable; also, any draws on commissions or bonuses
5. Termination of the relationship

At some point soon, you will need an experienced lawyer to draft your formal agreement, but for now, you and the agent have much to discuss before you are ready to reach such an agreement.

Some topics that require a "give and take" discussion during the negotiation process between manufacturer and agent are (a) territory, (b) exclusivity, and (c) rate of commission. The points outlined here are only examples and may vary considerably in particular cases.

■ (a) Territory

Let us suppose that the agent or agency you selected covers a geographic territory larger than the one you planned for your first marketing and sales effort in the U.S. Because of a good reputation and the demonstration of considerable initiative in the interview, you want to work with that agent. However, the agent will not budge on this negotiation point, saying that the territory must be kept as it is to keep his/her sub-agents satisfied and to represent all product lines well. What do you do? You might decide to give on this point, provided that there is a joint strategy between each party to ensure that the product is promoted only to customers in the territory whose orders your plant is capable of supplying on time. This last proviso requires the agency to give a little on its original position.

When growth in production capacity at your plant is accomplished, the agency will be able to sell to all your potential customers in its territory without overextending your capability to supply. If you believe this agency can do a good job for you, and if you really want to sign a contract, you might decide to accept the agency's territorial boundaries as the market area for your product line.

■ (b) Exclusivity

The negotiation on exclusivity can be tricky. Make sure you define exclusivity in terms that both you and the agent can live with. Most agents ask for exclusive rights to all sales in the territory. What if you, the Canadian supplier, want to keep a few traditional house accounts that you might have built up over the years? Someone has to give on this point. What if a new buyer in the territory wants to deal directly with the Canadian plant and bypass the agent? This is negotiable, but be prepared to consider paying a commission to the agent, even if you agree that your plant can sell directly to a few customers who insist on this practice.

■ (c) Rate of Commission

Many agents negotiate with manufacturers who are new to the United States market for higher-than-average commissions or for a retainer to help offset start-up expenses in pioneering a new line in their territory. This can happen if you have persuaded an agent to expand the territory, which leads to frequent overnight trips to new customers. You should approach such situations with caution, but also with an open mind. The sales agent might be justified in the request for a higher commission, particularly in industry sectors where original equipment manufacturers demand custom-designed products requiring a longer-than-usual selling process.

On the other hand, an agent who is calling on the type of customer your company is targetting does not usually justify a commission rate higher than the average. (For some average rates of sales commissions see Appendix 3.) You are required to make a judgment call in such situations, as well as to have a prepared approach to the whole negotiation process.

(d) Other Considerations

There are many other points for debate during the negotiation of the terms of a contract. The following list covers additional topics most common to discussions between agents and manufacturers:

- how the agent contracts with customers for sale of the supplier's products;
- type of relationship, e.g. manufacturer and independent contractor;
- how orders are handled, e.g. whether a customer in the U.S. territory orders directly from the Canadian supplier; how invoices are handled;
- transfer of prescreened sales leads from manufacturer to agent, e.g. leads obtained from the manufacturer's participation in trade shows in the U.S. territory, or from an advertising campaign;
- payment of commissions, including agreement on the basis for their calculation, and related aspects, e.g. date when commission is earned by agent and date payable by manufacturer;
- expense account process, e.g. expense responsibility for sales meetings called by manufacturer;
- non-competitive clause agreement, e.g. types of products the agent will not be permitted to handle within a particular product line;
- procedures for termination of the contract by both parties, especially length of notice (usually 90 to 120 days) if one party terminates, including eligibility criteria for payment of commissions for orders in process;
- liability of the manufacturer, e.g. for loss or damage caused by the product; liability of the agent for overselling the product's qualities to the customer; liability insurance coverage;
- servicing of the U.S. customer's account, e.g. after-sales supplying of spare parts;
- confidentiality clause regarding handling of trade secrets which the agent may learn from the manufacturer; and
- advertising costs, e.g. responsibility for payment of regional or national coverage in the U.S.

While these topics indicate some of the items which may need to be negotiated for your particular agreement, only your lawyer can do the fine-tuning of your negotiation process with the agent. Work closely with your lawyer before any areas of negotiation are finalized in a formal contract.

How Valuable Is Your Lawyer?

There are many stories on record of U.S. agents and manufacturers who did business together for years on a handshake or word of honour, with few serious problems. Then one party fell ill, or one of the companies was acquired by a third party who did not approve of the manufacturer's marketing strategy. The sad results of such cases justify the wide acceptance within the United States of a written, signed contract between a manufacturer and an agent.

What kind of lawyer should you hire to help you with the drafting of appropriate clauses for your particular agreement with a U.S. agent? In general, hire a reputable lawyer who is familiar with international business agreements and who has considerable experience negotiating agreements between manufacturers and their U.S. agents. Make certain that your lawyer has experience drafting Canada-U.S. business agreements and overseeing the final contract. Your lawyer should also be knowledgeable about litigation procedures south of the border and willing to work with your accountant, who should be aware of all the financial ins and outs of doing business across the Canada-U.S. border.

Further, your lawyer must be familiar with, and up-to-date on laws in the U.S. states. Remember that unless a contract specifically provides for its governing law, it is interpreted according to the law and usage of the place where it is to be performed. Some U.S. states are more liberal than others in their interpretation of the clauses of contracts. Some states have statutes which provide after-termination commission rights.

Be aware of the realities of signing agreements that become binding contracts between international business partners. Hire an expert.

Type of Contract

The type of agreement you, your agent and your lawyers draw up, and eventually sign, will depend on the nature of each party's responsibilities and requirements. Some of the various types of agreements are Marketing Agents Agreement, Sub-Agent (independent contractor) Agreement, Sales Agency Agreement, and Sales Representative Agreement.

If you are a first-time exporter to the U.S. with a newly appointed sales agent, the specimen agreement in Appendix 4, "Guideline Information for Preparation of Manufacturers' or Suppliers' Sales Agency Agreement," is provided as a general outline on issues to be covered. Remember that your agreement must be tailored to satisfy the specific requirements of you and your agent; therefore, the specimen agreement might not contain some clauses necessary for your agreement.

Today it seems that almost 90 per cent of contracts omit the servicing responsibilities, if any, of the manufacturers' agent. This is a potentially dangerous omission. In some industry sectors, it is common to ask agents to perform after-sales servicing, stocking of spare parts, or even warehousing. Only you and your agent can determine what will work best for you.

Finally, get your written agreement signed. It does not become a formal legal contract until it has been signed by both parties. Many lawyers advise having a contract state that it is valid for a fixed term, at which time each party will evaluate the relationship before a renewal of the contract is arranged.

Chapter 7

Communication: A Continuing Process

Getting Started

■ Trust

The contract with your agent is signed. Both you and the agent have discussed the goals each of you has for developing your own businesses. It has been agreed that you are marketing with the long term in mind. How can you and your agent establish mutual trust and a good working relationship as soon as possible?

If each party begins the working relationship with the assumption of trust, it is probable that both agent and manufacturer will work to maintain this atmosphere of good faith. As the manufacturer, you can work out a program for effective communication with the agent.

■ Communication

In this publication, we have stressed a positive approach to the manufacturer-agent relationship. It is also important to remember that agents who have returned home should not be forgotten about for weeks at a time.

The agent has independent contractor status, and is really your business partner in terms of functioning for you in the field. Teamwork takes practice. What if you have to make a business trip and the agent has to solve an urgent problem with the assistance of someone else in your plant in Canada? Things will go much smoother if your agent has met all your company managers and key personnel. Your own people should have been well briefed on the details of your company's contract with the agent.

■ Public Relations

Your current and potential customers should be made aware of this new relationship between you and your agent. And what about spreading the news within your industry sector? Together, you and your agent should draw up a plan that might look something like this:

1. The Canadian supplier should write a letter to any of the supplier's present accounts in the agent's territory. (This may not apply if you have never exported to the U.S. before hiring the agent.) Emphasize that quality of service should improve under the new relationship.
2. Your company's public relations section or a professional advertising agency can draft a press release to be sent to media such as newspapers in the territory (business editors) and entrepreneurial journals, or to professional associations if applicable (engineers, for example).
3. Send feature articles to regional and national trade journals within your industry sector, e.g. toy and hobby magazines, apparel and clothing journals or weeklies, and automotive parts association newsletters.
4. A letter should be sent to the agent's present customers announcing your line, perhaps with a catalogue.
5. With your help, the agent should mail a promotional piece on your product line to other potential customers in the territory.
6. Personal visits by yourself, with your agent, to a few key customers the agent feels are likely to be volume purchasers of your line can prove worthwhile. Canada still seems far away to many American business people. You can obtain feedback on the products you are offering in the U.S., and some of your customers' requirements.

The Breaking-in Period

There are several tactics you can use to help your new agent become familiar with your company and its products. Depending on the size of your business and the extent of your product line, modifications to some of the following suggestions may be necessary.

1. Write down a set of specific goals for the breaking-in period. Consider what is a reasonable time frame for certain goals to be met within your industry sector, keeping in mind the buying patterns in the new territory.
2. Give the agent an outline of the marketing strategy you developed for the territory (and perhaps for a larger region of the U.S. eventually).
3. Discuss these goals with your agent to ensure that they are realistic for the territory.
4. Develop a short policy manual on your company with the help of your marketing specialist, comptroller, engineers (if applicable), support staff, shipper, and so on. Include topics such as product service, handling of complaints, warranties, order system, advertising, shipping procedures, screening of sales leads, and sales commissions formula and processing.

5. Put together a training program for the agent (and the agent's staff, if any). Consider that short sessions are appropriate when "time is money" for the agent. Consider written manuals, word-processed diskettes, or videos produced inexpensively by your head office staff. The agent can use these in the territory when time allows.
6. Schedule at least one sales meeting, preferably at your plant, within the first six months. An agency will have to plan well in advance to get its staff together at one time. A single agent is more flexible, but will have commitments.
7. Agree on a consistent method for distributing sales literature and other promotional tools to the territory. Timing is very important for seasonal consumer products, e.g. Christmas, summer etc.
8. Plan with the agent for an evaluation meeting within a reasonable period for your industry, based on the goals you set together (see no. 1 of this list). For consumer products, this could be within two months; for industrial and high-technology equipment, especially with custom-designed components, the breaking-in period could be as long as a year.

Rules of Fair Play

Many manufacturers and agents have stories to tell about past contractual relationships that turned sour. Is there anything to be learned from retelling history?

Some U.S. manufacturers' agents might be reluctant to represent your company, because they have had a negative experience while representing another Canadian supplier. Conversely, some Canadian manufacturers have their own tales to tell about the past lack of commitment on the part of their former U.S. agents. In the following two cases, the outcome was unfortunate for either the manufacturer or the agent, but it is important to remember that all is not what it seems. How did these cases end up this way, and how can similar situations be prevented?

■ Case A

A manufacturers' agency in the United States put considerable money and time into building a customer base for the Canadian supplier. Things were going well, but the contract renewal date passed, and when contacted, the manufacturer said, "No," and withdrew from the territory. The agent, who thought this was the beginning of a long relationship, felt cheated, even though commissions on sales for a period after cancellation were paid.

■ Case B

The Canadian manufacturer expended considerable effort and money in supporting the sales agency's efforts in the United States to build a good customer base for the manufacturer's line. The agency then terminated the contract, picked up a U.S. competitor's line, and supplied the same customers.

■ Reasons for Termination

What possible reasons can be given for the termination of the two relationships outlined in Case A and B?

Good faith and fair dealing imply a style of doing business that is based on honesty at the start of a relationship. Briefly, Case A might have been the result of a desperate Canadian manufacturer whose domestic sales were down during a recession in the marketplace. The manufacturer may have tried to penetrate a new territory south of the border, as a short-term measure until things improved in the home market. This has happened to more than one agent in the United States in the past. In the future, these same agents will want to see a Canadian manufacturer's long-term market strategy before considering any agreement of representation.

Case B might have been a situation arising from any of several reasons. The first could have been that the Canadian product line was not competitive, in either price or quality, with similar products on the market. This should have been obvious from the start if both manufacturer and agent had done their homework. Another possible reason for the termination in Case B might have been a lack of timely evaluation procedures by both manufacturer and agent. Small irritations can add up, and the agent might have been lacking in sufficient experience to push the manufacturer into an open discussion about areas where the sales relationship needed to improve.

Evaluating the Agent

Since this publication is directed towards new Canadian exporters to the U.S. who want to utilize manufacturers' agents, this section will provide a few guidelines for evaluating the agent's performance. Let us not forget, however, that your own performance as the supplier will be judged accordingly by your agent.

The basis for the evaluation procedures should already have been laid down by you and your agent when you set objectives for the breaking-in period for the relationship. Have these goals been met within the agreed-upon time frame?

One method employed by manufacturers when evaluating agents is the evaluation sheet, which lists perhaps 12 to 15 performance requirements. The main items on such lists are:

1. Product knowledge
2. Advertising and promotion of product
3. New account production
4. Preparation for sales calls
5. Sales presentations
6. Follow-up
7. Tracking the competition*

The rating scale of 1 to 10 can be used when making your evaluation of each requirement on the list. You should be able to justify the ratings with records and results for each category of performance by the agent. Add the ratings to get the total score out of whatever is possible from your particular list.

The evaluation should include some subjective criteria as well, which leaves room for the human element in the sales representation relationship. The following are some questions you might ask yourself and your staff about the agent who is being evaluated:

- Does the agent communicate well with your home base staff in Canada, for example the ordering department?
- How resourceful is the agent in initiating new ways to sell your company's line?
- How interested is the agent in doing the job better?

What Next?

There is no guarantee that you will hire the right manufacturers' agent on the first attempt, but you are confident your product is marketable as well as competitive in the U.S., how then can you minimize the market share lost if you need to recruit a new agent?

One approach to this potential setback is to target two or three U.S. territories simultaneously, by hiring agents in neighbouring regions. Should one agent perform, you are right. If all your agents fail, there is a strong likelihood that something is wrong with your marketing mix, i.e. the right product at the right price, in the right place, and with the right promotion.

* "How to Evaluate the First Agency of the Team." *MANA Directory*, 1986, page XIX.

The Bottom Line

The well-worn expression that "communication is a two-way street" is nonetheless true. In the manufacturer-agent relationship, continuing and frequent contact is crucial to the success of the partnership. Whether this communication is by voice-tapes sent in the mail once every couple of weeks, frequent telephone calls, or pertinent messages on postcards, the continuing effort to keep each other informed builds mutual trust. This shared respect goes a long way in ensuring that small problems remain small, and that good sales get better.

Section II

Appendices

Appendix

1

Typical Marketing Areas*

These territorial designations are only suggestions, and should be modified to suit your needs and the marketing capabilities of your manufacturers' agent. The modifications should be based on the type of material or product to be sold, your agent's established territory, natural geographic boundaries, and historical marketing divisions. The agreed upon territory or territories should be included in the contract with your manufacturers' agent.

1. Eastern Massachusetts, Rhode Island, New Hampshire, Maine.
2. Connecticut, western Massachusetts, Vermont.
3. New York City, Long Island, Westchester County, New Jersey north of Trenton.
4. New York Upstate.
5. New Jersey, Trenton and south, Pennsylvania east of Harrisburg.
6. Maryland, Delaware, District of Columbia, northern Virginia.
7. Southern Virginia, North Carolina, South Carolina, eastern Tennessee.
8. Georgia and Alabama.
9. Florida.
10. Western Pennsylvania to Harrisburg, West Virginia.
11. Ohio north of Route 40.
12. Ohio south of Route 40, Kentucky.
13. Indiana except northwestern counties.
14. Michigan and Toledo, Ohio.
15. Illinois, north of Rt. 36 and Lake, Porter and LaPorte counties of Indiana.
16. Wisconsin and Northwestern Michigan (area northwest of Lake Michigan).
17. Minnesota. May include North and South Dakota and all or part of Iowa and Nebraska.
18. Eastern Missouri, southern Illinois.
19. Western Missouri, Kansas.
20. Louisiana, Mississippi, Arkansas, western Tennessee.
21. Texas and Oklahoma.
22. Colorado, Utah. May include Montana, Idaho, Wyoming.
23. California, Bakersfield and south, Arizona, Southern Nevada and New Mexico.
24. California, north of Bakersfield, part of Nevada.
25. Washington and Oregon.
26. Alaska.
27. Hawaii and Guam.
28. Puerto Rico and Caribbean.
29. Eastern Canada.
30. Western Canada.

Other Territories

31. INTERNATIONAL
32. NATIONAL
33. MEXICO & CENTRAL AMERICA
34. SOUTH AMERICA
35. EUROPE
36. ASIA
37. MIDDLE EAST
38. CONTINENTAL U.S.

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Appendix

2

Exporting to the United States — Costing Products

The U.S. is such a vast market that buyers can demand concessions usually not requested in other countries. One is for duty-paid, delivered prices with the exporter making all arrangements and paying all charges.

Similarly U.S. Customs Service makes unique demands not encountered elsewhere. If documents are incorrect, incomplete or missing the exporter can be charged with fraud. Over 2 000 Canadian companies are charged each year. The result is delay in clearing shipments as well as great expense in penalties. Do not, however, be timid; the routine to be followed is precise and easily learned.

One further hazard is the frequency with which exporters to the U.S. (who are liable for payment of U.S. customs duties) have paid duties and months later have been reassessed for additional duty. To prevent this, obtain a firm ruling on classification of your products and firm rate of duty from U.S. Customs at the outset. Customs then issues the duty rates and a classification number which you put on your invoices and it is an absolute guarantee that the rates shown are correct.

To apply for a firm ruling send samples, if practical, otherwise sketches of products together with a complete list of ingredients, showing the percentage and cost of each in US currency. Then detail every step of your production process. Omit nothing. If your description is complete, you will receive the ruling in about two months. It is obtained from:

Regional Commissioner of Customs,
U.S. Customs Service,
Classification and Rulings,
New York Region,
Room 716-6 World Trade Center,
New York, New York 10048, U.S.A.

Caution: At any time if ingredients or manufacturing process are altered, notify the commissioner of customs and probably this will void the ruling.

U.S. Customs operates on the basis of "total monies concept." This means that every item of cost must be revealed to them on your invoices. Some items, such as U.S. Customs broker's fee, are not dutiable, but they must be shown as they are part of the total price paid by the importer.

U.S. Costing and Record Sheet

It is recommended that the whole shipment be costed (not one "ton" as in ocean shipments) or, if you are costing so you can make an offer, it is suggested you cost 100 units. Then divide the total cost by 100 so you can quote *one unit*. If your product is very large, such as machinery or pre-fab buildings, you cost one unit only.

A. Quoted to: _____
(address)

_____
(telephone number) (telex, fax)

B. Terms quoted _____

C. Describe 1 unit: _____
(box, carton, etc.) (Gross wt & Cubic)

	$ Cdn	$ US
1. Net price at factory including your profit. No federal taxes are payable on exports.		
2. U.S. agent's commission. Give name, address and rate of commission. If included in 1, so state		
3. Cost of packing material and labour for packing. If included in 1, so state		
4. Freight within Canada to U.S. border or port of export. (See Note 1.)		
5. Any additional dutiable costs (See Note 2.)		
6. **Total Cost to Point of Export**		
7. Customs duty on this total @ ___ %		
8. Non-dutiable costs (See Note 3.)		
9. Non-dutiable freight (See Note 1.)		
10. Premium for insurance against loss or physical damage		
11. If you insure against non-payment with Export Development Corp. show premium		
12. **Total Delivered, Duty Paid Price**		
Quoted in $US, One Unit		

Note 1.
Freight within Canada is not dutiable if goods were shipped from the place of manufacture on a through bill of lading to final U.S. destination, and shipment date is after the date of the buyer's order. If these terms are met, leave 4 blank and show freight under 9. Otherwise show freight within Canada under 4, and rest of freight (the portion in the U.S.) under 9.

Note 2. Additional dutiable costs

(a) the cost of any "assists" sent to the Canadian manufacturer, such as sketches, dyes, molds or designs made available to the manufacturer.

(b) any licence fee or royalty the buyer must pay in connection with the shipment.

(c) any amount to be received by the exporter from the proceeds of the sale of the goods in the U.S. must be shown and is dutiable.

Note 3. Non-dutiable Costs
These must be listed and included in the total shown on your commercial invoice:

(a) U.S. customs broker's fee.

(b) Costs for assembling, erecting, maintaining or providing technical assistance after the shipment arrives at the U.S. destination.

By J.R. Arnold, Export Consultant, P.O. Box 1556, Parksville, B.C. V0R 2S0

Appendix

3

Survey of Sales Commissions*

Signals are mixed, but the trends are positive

Manufacturers and manufacturers' sales agencies are always interested in commission statistics. They like to look at their own picture and compare it with the national averages. But it's impossible to create national averages or to set standards because every agency/manufacturer relationship is different. Products, markets, territory, agency size, types of services and a whole host of other variables make it impossible to create standards that apply to everyone. However, you can look at trend lines, and this is why we publish the new numbers against a background of the data from the previous survey.

In general terms, little has changed since we conducted our last survey two years ago. The results of the 1987 survey indicate that 44 percent of the commission rates reported were higher than last year. This, of course, means that 56 percent either remained the same or decreased. At first glance, this near 50-50 split of gains and losses may not seem too encouraging. However, we must point out that the split has always hovered in this neighborhood. And the average gains and losses are, for the most part, in tenths of a percentage point.

The real benefit from our survey can be found in the predictive value of the data. Some industries posted significant gains while others suffered some heavy losses. For example, food products and services saw a decline from 15 percent to 6.96 percent. On the other hand, those selling in transportation markets saw their average commissions increase from 5.49 percent to 12 percent. These figures, evaluated with other industry conditions, can give you an important edge in planning for agency growth.

When we reported data from our last survey (1985), we indicated that the lows were coming up and that there weren't any significant changes on the high side. This had the effect of bringing the numbers closer together. There have been no major changes indicated by this survey, but the trend continues. For example, those selling to the government have seen their rates increase from 7.33 percent to 7.42 percent.

All in all, the data indicates that the agency business is generally a healthy business. There are some weak spots, but the problems are industry-specific and not related to agency selling in general.

To help agents and manufacturers get a clearer perspective of the entire commission picture, we asked this question: Are you receiving an *additional* commission or fee for warehousing? Seventeen percent said yes, they were receiving additional commissions or fees. Here are the averages:

Average high – 10.69 percent
Average of average – 8.96 percent
Average low – 7.26 percent

These numbers tell an interesting story. The traditional agency may be changing to accommodate needs of customers and manufacturers. Although we don't see this as a strong trend today, it shows the inherent flexibility built into agency selling.

Forty-three percent of the respondents act as distributors in addition to their representation activity. This is an increase of 3 percent over the past survey. Although we didn't ask for qualifications, it appears that most distributor activity is limited to a few small lines, and that these lines are not those generally carried by full-line distributors. In other words, the distributed lines are carried more as an accommodation than as an expansion of traditional agency activity.

■ How to Compare These Figures With Your Own Commissions

As stated earlier, there are no real industry standards, nor should the reader imply from this research bulletin that MANA advocates any industry standards with regard to commissions. Commissions range widely in some instances. Therefore, when you read the figures for the field you serve, it's best to think of them only in relative terms. Your commission may be higher or lower than the averages we have published, but it's important to remember that each agency/manufacturer relationship is different than all the others. And each is usually negotiated on an individual basis. You may be providing service in addition to selling. You may be warehousing your principals' products. In fact, there are a number of services that agencies may provide for their principals in addition to selling. And these activities are frequently reflected in higher commissions. Thus, the variability in commissions in most fields. What we are saying is that you must factor in all of the variables — and remember that our figures were reported by agents and manufacturers from all corners of the country. Regional variations can exert as strong an influence as can any of the other variables we mentioned.

If you have been following our commission surveys, you know that commission percentages don't change much. The commission dollar figures change as the

product cost changes. And if you have been following our general surveys, you know the trends in sales and earnings for agencies are strong and positive. Agencies are providing more services for principals and customers to produce additional income. And because agents work smarter every year, revenues are up and will continue to increase. To borrow from economists' language, commission rates are relatively inelastic. However, everything else an agency does can have a dramatic effect on growth and profits.

Survey of Sales Commissions

	1985 Survey Results			1987 Survey Results		
Product Market	**Highest %**	**Average of Average %**	**Lowest %**	**Highest %**	**Average of Average %**	**Lowest %**
Abrasives	11.42	9.04	6.67	9.34	7.34	5.34
Advertising Products & Services	24.23	16.17	8.11	19.07	13.18	7.30
Aerospace & Aviation	9.73	7.44	5.15	11.04	8.63	6.22
Agriculture/Chemicals	13.37	10.24	7.12	7.83	6.12	4.41
Agriculture/Equipment & Machinery	8.68	7.02	5.42	11.31	8.62	5.93
Appliances	6.21	5.21	4.21	6.07	5.10	4.14
Architects & Interior Designers	16.29	11.33	6.37	18.06	12.66	7.26
Arts & Crafts	11.13	8.33	5.54	16.50	11.86	7.22
Automation/Robotics	—	—	—	14.26	11.14	8.02
Automotive/Aftermarket	9.88	7.32	4.77	9.48	7.24	5.00
Automotive/OEM	6.31	5.15	4.00	6.00	4.78	3.56
Beauty Salon & Barber Equipment & Supplies	12.33	9.83	6.33	—	—	—
Building Materials & Supplies	10.68	7.65	4.62	9.90	7.11	4.33
Castings & Forgings	6.05	5.27	4.49	6.16	5.29	4.43
Chemicals/Industrial	14.14	11.57	9.00	13.63	10.44	7.25
Chemicals/Maintenance	20.88	15.83	10.79	13.93	10.59	7.26
Coatings	14.02	10.60	7.19	13.98	10.15	6.32
Computer/Hardware, Software & Peripheral Equipment & Supplies	13.13	9.99	6.85	17.12	12.40	7.68
Construction Equipment & Machinery	12.68	9.57	6.47	10.02	8.09	6.17
Controls & Instrumentation	18.14	13.58	9.03	16.83	12.62	8.42
Electrical/Consumer	6.70	5.64	4.58	7.78	6.27	4.77
Electrical/Technical & Industrial	12.60	9.53	6.46	11.54	8.61	5.69
Electronic/Communications, Audio-Visual & Professional Products	10.38	8.46	6.54	12.14	9.26	6.39
Electronic/Components & Materials	8.40	6.68	4.97	9.56	7.47	5.39
Electronic/Consumer Products	6.53	5.14	3.76	9.41	7.27	5.13
Electronic/Technical Products	12.16	9.61	7.07	14.00	10.57	7.14
Energy	16.14	11.79	7.45	13.50	10.66	7.82
Fasteners	7.46	6.34	5.22	7.68	6.26	4.85
Floor & Wall Coverings	—	—	—	9.14	7.21	5.28
Food/Beverage Chemicals	22.50	15.62	8.75	11.25	8.25	5.25
Food/Beverage Processing	13.47	9.98	6.50	14.57	11.15	7.73
Food/Beverage Products & Services	16.00	15.00	14.00	8.33	6.96	5.60
Food/Beverage Service Equipment	11.05	8.75	6.45	12.30	9.06	5.88
Furniture & Furnishings	11.86	8.75	5.65	9.71	7.83	5.96
Gas, Oil & Petroleum Products & Services	15.02	10.89	6.77	13.15	9.81	6.47
Glass Industry/Raw Materials & Products	9.33	7.99	6.66	15.25	10.33	5.42
Government	9.79	7.33	4.87	9.43	7.42	5.42
Graphics/Printing	13.97	10.54	7.11	16.24	12.00	7.76
Hardware/Houseware	9.38	7.13	4.89	8.80	6.72	4.63
Health & Beauty Aids	—	—	—	18.25	11.88	5.50
Heating, Ventilation, Air Conditioning	15.56	11.10	6.64	14.88	10.38	5.87
Heavy-Duty Truck-Trailer Equipment	8.82	6.99	5.17	7.83	6.31	4.78
Home Improvement	8.10	6.46	4.82	7.86	6.05	4.24
Import-Export	11.82	8.83	5.85	13.07	8.79	4.50
Industrial Equipment & Machinery	16.05	11.53	7.02	15.06	11.04	7.01
Industrial Supplies	13.80	10.29	6.78	12.14	9.08	6.01
Lawn & Garden	—	—	—	8.21	6.42	4.63
Lubricants	13.50	11.25	9.01	13.79	10.28	6.77

Product Market	1985 Survey Results			1987 Survey Results		
	Highest %	Average of Average %	Lowest %	Highest %	Average of Average %	Lowest %
Lumber Industry	6.38	5.05	3.73	6.68	4.96	3.23
Machining Equipment & Services	7.57	6.33	5.10	8.36	6.78	5.20
Maintenance Supplies	17.25	13.87	10.50	13.17	10.30	7.43
Marine	12.83	9.81	6.79	10.36	8.11	5.86
Material Handling	13.85	10.34	6.84	13.88	10.07	6.25
Medical Equipment, Supplies & Services	18.18	13.25	8.33	18.90	13.99	9.07
Metals/Processing, Assemblies & Products	7.61	6.22	4.83	7.37	6.15	4.93
Metals/Raw Materials	6.66	5.04	3.42	6.61	5.04	3.46
Mining	12.77	9.41	6.05	10.75	7.00	3.25
Mobile Homes, Accessories & Supplies	7.75	6.35	4.95	9.33	7.25	5.17
Nursery/Florist	10.00	7.45	4.91	—	—	—
Office Supplies & Equipment	13.78	9.89	6.00	16.00	11.16	6.31
Optical Supplies	9.71	8.42	7.14	9.78	7.71	5.63
Packaging & Plastics	8.79	7.26	5.73	10.32	7.93	5.53
Paints & Varnishes	11.08	8.54	6.01	10.64	8.06	5.47
Paper Industry	15.00	11.16	7.32	10.36	7.85	5.33
Photographic Supplies	13.85	10.46	7.07	13.25	10.13	7.00
Plastics	7.51	6.18	4.86	7.79	6.19	4.59
Plumbing	10.54	7.77	5.01	9.83	7.52	5.21
Pollution Products & Services	16.88	12.04	7.21	15.28	10.90	6.51
Powdered Metal/Parts & Components	—	—	—	6.00	5.37	4.74
Power Transmission	10.98	8.12	5.26	10.59	7.97	5.35
Process Equipment	16.67	11.73	6.79	17.12	12.05	6.98
Pumps	17.25	12.96	8.67	14.72	11.03	7.33
Recreational Vehicle/Aftermarket & OEM	8.86	6.98	5.10	8.55	6.43	4.31
Recreational Water Products/Services	—	—	—	8.25	6.45	4.64
Refractories	15.18	11.36	7.54	11.35	9.00	6.65
Refrigeration & Cold Storage	—	—	—	12.00	9.23	6.45
Retail Consumer Products & Services	11.88	8.48	5.08	10.50	7.41	4.31
Robotics	12.39	10.27	8.16	—	—	—
Rubber Products	7.00	5.92	4.84	8.10	6.49	4.88
Safety, Emergency & Security Products	13.39	10.95	8.51	14.06	10.81	7.56
Scientific Research Equipment & Supplies	20.70	14.85	9.00	21.83	15.60	9.36
Screw Machine Products	6.20	5.45	4.70	6.39	5.64	4.89
Sporting Goods, Supplies & Accessories	10.97	8.13	5.29	11.32	8.07	4.82
Stampings	5.85	5.20	4.56	5.82	5.09	4.36
Steel Mills & Foundries	8.12	6.52	4.93	7.93	6.79	5.64
Telecommunication Equipment, Services & Supplies	—	—	—	16.50	11.04	5.58
Textile/Apparel Trade	8.37	7.12	5.87	22.50	15.50	8.50
Textile/Carpet, Drapery & Related Materials	6.66	4.33	2.00	—	—	—
Textile/Industrial	6.65	6.01	5.38	8.23	6.57	4.90
Toys, Gifts & Novelties	12.82	9.33	5.85	19.00	13.40	7.80
Transportation	6.33	5.49	4.66	14.50	12.00	10.66
Tubing	6.84	5.64	4.44	6.58	5.25	3.92
Utilities	14.69	10.94	7.19	15.00	11.39	7.78
Veterinary	13.37	8.93	4.50	13.60	10.15	6.70
Water Treatment Equipment, Products & Services	15.30	11.66	8.03	16.53	12.03	7.53
Welding	8.70	7.07	5.45	10.44	8.90	7.36

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Appendix

4

Guideline Information for Preparation of Manufacturers' or Suppliers' Sales Agency Agreement*

1. The accompanying provisions are intended for use as guideline information in preparing agreements between sales agencies and their manufacturers or suppliers and are furnished solely as a courtesy to the members of the MANUFACTURERS' AGENTS NATIONAL ASSOCIATION and manufacturers, suppliers or sales agencies. To set forth the understandings of the parties, provisions should be compared, selected, rejected, changed, modified, amended and where appropriate, additions and deletions should be made.

2. Reference material on most provision subject matter is available through MANA BULLETINS. Current articles of mutual concern to manufacturers, suppliers and their sales agencies are regularly published in *AGENCY SALES MAGAZINE*. They include analysis, data base statistics, alternatives, customs, trends, suggestions, admonitions, surveys, research, and pertinent developments in the SALES AGENCY FIELD.

3. Each provision requires attention. For example, MANA uses the words "AGENT" and "REPRESENTATIVE" as if they are synonymous. Another example, the EXCLUSIVE TERRITORY provision contemplates that manufacturer or supplier retains title, dominion and risk of loss with respect to the products. Because of the constantly changing interpretation of law (such as anti-trust restrictions and territorial rights) all provisions should be reviewed by legal counsel in light of the status of federal, state and local law at the time the parties enter their agreement.

4. The specimen provisions following are designed for an INDEPENDENT CONTRACTOR RELATIONSHIP. If the parties desire an employer-employee relationship, the agreement should be modified to so state. Irrespective of the provisions of the agreement, however, if the parties conduct themselves in an employer-employee relationship, the law will probably look to substance rather than form and impose on the parties rights and responsibilities of an employer-employee relationship.

5. In every case, before using a sample form of agreement, or specimen provisions, it is RECOMMENDED THAT LEGAL COUNSEL BE CONSULTED. There are established customs and practices applicable to certain types of industries, products and marketing programs. Federal, state and local laws constantly change. Both law and customs vary by state, territory, industry, products, etc.

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DO NOT USE WITHOUT CONSULTING YOUR ATTORNEY. LAWS AND CUSTOMS VARY.

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TO BE USED BY MANUFACTURER AND SINGLE-PERSON AGENCY
SPECIMEN ONLY

SALES REPRESENTATIVE AGREEMENT

THIS AGREEMENT is made on the date shown below by and between _____

_____ ("PRINCIPAL") *and* _____ ("REPRESENTATIVE").

1. Exclusive Representative. Principal grants to Representative the exclusive right (to the exclusion of Principal and all claiming under or through Principal), to act as Principal's SALES AGENCY, to solicit orders for the Principal's goods and services ("Product"), within the following geographical area: _____

_____ ("Territory").

2. Sales Policies. The prices, charges and terms of sale of the products ("Sales Policies") shall be established by the Principal. The Sales Policies shall be those currently in effect and established from time to time by the Principal in its price books, bulletins, and other authorized releases. Written notice of each Sales Policy change shall be given by Principal to Representative at least thirty (30) days in advance of such change.

3. Orders and Collections. Orders for products solicited by Representative shall be forwarded to and subject to acceptance by Principal. The Principal agrees to refer all inquiries to the Representative and to promptly furnish the Representative with copies of all correspondence and documentation between the Company and Customer. All invoices in connection with orders solicited by Representative shall be rendered by Principal, direct to the customer, and full responsibility for all products, services, collections and bad debts rests with Principal.

4. Relationship Created. Representative is not an employee of Principal for any purpose whatsoever, but is an independent contractor. Principal is interested only in the results obtained by Representative, who shall have sole control of the manner and means of performing under this Agreement. Principal shall not have the right to require Representative to do anything which would jeopardize the relationship of independent contractor between Principal and Representative. All expenses and disbursements incurred by Representative in connection with this Agreement shall be borne wholly and completely by Representative. Representative does not have, nor shall Representative hold Representative out as having any right, power or authority to create any contract or obligation, either express or implied, on behalf of, in the name of, or binding upon Principal, unless Principal shall consent thereto in writing. Designation by Representative as "Sales Agent" or "Sales Agency" shall not expand the limited authority to conduct "Sales" activities granted under this Agreement. Representative shall have the right to appoint and shall be solely responsible for Representative's own salespersons, employees, agents and representatives, who shall be at Representative's own risk, expense and supervision and shall not have any claim against Principal for compensation or reimbursement. Unless expressly permitted in writing, Representative shall not represent products which directly compete with the Products of Principal during the existence of this contract relationship.

5. Representative's Commissions. The commissions payable by Principal to Representative on orders solicited within or delivered to the Territory shall be _____ ("Commission Rate"). Commissions shall be deemed earned by Representative upon acceptance or delivery of the order or any part thereof by

Principal, whichever occurs first. Commissions earned by Representative shall be computed on the net amount of the invoice rendered for each order or part of an order, exclusive of freight and transportation costs (including insurance), normal and recurring bona fide trade discounts and any applicable sales or similar taxes. All commissions earned by Representative shall be due and payable to Representative on or before the twentieth (20th) date of the month immediately following the month during which the invoice applicable to an order is sent by Principal.

6. Term. This Agreement shall continue in full force and effect until the date ("Termination Date") set forth in a notice given by one party to the other indicating such party's election to terminate this Agreement, which Termination Date shall be at least one-hundred twenty (120) days after the date notice of such election is given. Alternatively, this Agreement may be terminated at any time by mutual written agreement between both parties hereto. If this Agreement shall terminate for any reason whatsoever, Representative shall be entitled to receive Representative's full commissions determined in accordance with provisions of Paragraph Five with respect to orders solicited prior to the effective date of such termination, regardless of when such orders are accepted by Principal (provided Representative can demonstrate such orders were solicited prior to the effective date of such termination) and regardless of when such shipments are made or invoices rendered.

7. Hold Harmless. Principal shall save Representative harmless from and against and indemnify Representative for all liability, loss, costs, expenses or damages however caused by reason of any Products (whether or not defective) or any act or omission of Principal, including but not limited to any injury (whether to body, property or personal or business character or reputation) sustained by any person or to any person or to property, and for infringement of any patent rights or other rights of third parties, and for any violation of municipal, state or federal laws or regulations governing the Products or their sale, which may result from the sale or distribution of the Products by the Representative hereunder. This Agreement shall be subject to and shall be enforced and construed pursuant to the laws of the State ("Representative's State") where the Respresentative's principal office is located, as set forth below. Principal hereby appoints as its Agent for service for process in connection with any action brought by Representative against Principal hereunder the Secretary of State of Representative's state of residence at the time such action is brought. In the event of litigation, the prevailing party may recover interest, court costs and reasonable attorney's fees. If any part of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8. Entire Agreement. This Agreement constitutes the sole and entire Agreement between Principal and Representative, and supersedes all prior and contemporaneous statements, promises, understandings or agreements.

9. Notices. Any notice, demand or request required or permitted to be given hereunder shall be in writing and shall be deemed effective twenty-four (24) hours after having been deposited in the United States mail, postage pre-paid, registered or certified, and addressed to the addressee at his or its main office, as set forth below. Any party may change his or her address for purposes of this Agreement by written notice given in accordance herewith.

(PRINCIPAL): _____

By: _____

Date: _____ **Title:** _____

Principal's address: _____

(REPRESENTATIVE): _____

By: _____

Date: _____ **Title:** _____

Representative's address: _____

Appendix

5

1987 Profile of the Manufacturers' Sales Agency*

The Business Structure of Manufacturers' Agencies

Reflecting the lessons we teach at seminars, and the advice of good attorneys and accountants, most sales agencies are full-fledged corporations. Fully 58.8% of those who responded to our survey reported that they were incorporated. The next largest group is made up of agents who choose to run their businesses as sole proprietorships — 26.05%. This can be a misleading statistic if you don't view it in the proper perspective. Although many of those who choose this form are one-person agencies, many are multi-person businesses simply operating under the laws governing sole proprietorships. The point is this: Don't think that just because an agency is operated as a sole proprietorship that it's small potatoes.

Next are the Sub Chapter-S corporations at 11.6%. Although the percentage of those choosing this form has hardly changed since our last survey, we think that our next survey in two years will probably be a little different. When the new tax laws finally shake out, we've been told that under certain circumstances this form of organization will have some significant benefits. If you aren't clear on the benefits under the new law as they relate to your organization, it might pay to check with your accountant.

Partnerships account for 3.7% of the population. Little change from our last survey. All we can say is that there must be some pretty enduring businesses out there working with this form of organization. Business consultants claim that the partnership is, from a personal point of view, one of the most difficult to manage. It's also very difficult to handle when a split occurs. (Figures 1, 2 and 3)

Figure 1
1987 Agency Business Structure

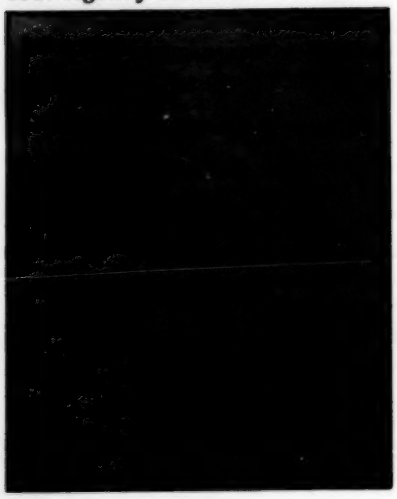


Figure 2
1984 Agency Business Structure

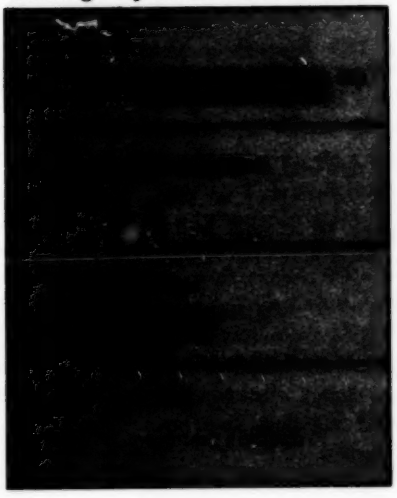
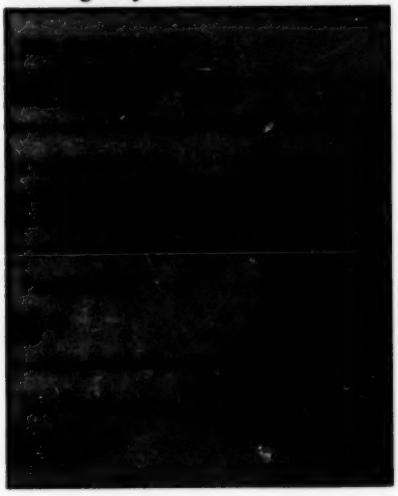


Figure 3
1981 Agency Business Structure



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A Look at the Average Agency of Today

The average agency has more than one office, but not quite two. And that half an office might be a commandeered broom closet for some, but the fact remains that the single office agency is in the minority. Five states are covered by the average agency, and the products of 10 principals are carried into these territories by 3 salespeople.

If intentions are turned into action, we should see a dramatic increase in the number of salespeople employed by the average sales agency next survey. Fully 47% of those who responded stated they planned to add to their sales staffs within the next twelve months.

The average agency isn't a Johnny-come-lately. In fact, it has been in business for 15 years. And the gross revenue isn't anything to sneeze at. The figure stands at $280,099.61. This figure is based on doing a gross business of $4,402,986.34 for the year. What is the net after taxes? It's a healthy $55,922.49.

On the personal side, the average agency was started from scratch by 83% of the respondents. Sixteen percent bought their agencies from someone else.

Now, we come to a very interesting statistic. Forty-five percent of the respondents told us that they represented foreign manufacturers. As we've been saying for quite a while, agencies are part of the global economy. And many of the domestic companies they represent also sell their products in foreign markets.

You might expect that those selling products overseas would be rather small. After all, the general parameters under which the average agency operates are bounded by domestic territories. However, 10% of those who responded claimed that they were selling products to foreign markets. And another 17% said they were planning to become involved in foreign trade in the near future.

Thirty percent of the respondents told us that they provided warehousing facilities for their principals, and another 43% perform the functions of distribution as well as representation.

What can we say about the profile of the average manufacturers' agency? First of all, the agency of today is a lot different than the agency of 10 or 15 years ago. The trend toward multi-person sales continues. This means that continuity is an important element in the business plan of most agents. And, of course, this translates into longer and more stable relationships between agencies and their principals. The average agency of today is business-oriented. Although the business of an agency is sales, we are very impressed with the realistic attitudes we see toward the management of a sales agency. From being professional about screening, hiring and training managing people to use sophisticated systems, including computers, the average agency has a lot to be proud of. (Figure 4)

Figure 4
A Composite Profile of the Average Agency†

Average Number of Offices	1.50
Average Number of States Covered	5.17
Average Number of Manufacturers Represented	10.10
Average Number of Salespeople	3.46
Agencies with plans to add to their sales staff in the next 12 months	47%
Average Number of Office Staff	1.70
Average Number of Warehouse Employees	1.57
Average Number of Years in Operation	15.06
Average Gross Revenue in 1986	$ 280,099.61
Average Gross Sales	$4,402,986.34
Average Agency Net (after taxes)	$ 55,922.49
Established Agency	83%
Acquired Agency	16%
Agency is the result of a merger	4%
Agency represents foreign manufacturers	45%
Agency selling products overseas	10%
Agency planning to become involved in international trade	17%
Agency provides warehousing	30%
Agency also acts as a distributor	43%
Agency with a showroom	8%
What major market do you sell to?	
OEM	56%
Wholesale/distributor	1.05%
Capital equipment in primary market	22%
Retail/mass merchandisers	14%
Capital equipment-manufacturing	27%
Government/municipalities	15%

†This profile was created by averaging responses from agencies operating under all forms of organization: Sole proprietorships, partnerships, and Sub Chapter-S corporations.

The Incorporated Sales Agency

Most of the agencies in our survey have chosen the corporate structure for their business. And, as you might imagine, the statistics we uncovered for this form of agency ownership rather closely parallel the stats for the composite agency we just described. Rather than restate what you can read for yourself in the table, let's look at some factors that don't appear as numbers. And we'll try to evaluate in qualitative terms what some of the numbers mean.

Just after World War II, the average sales agency wasn't in much of a rush to incorporate. However, now that many agencies are as complex in structure and operation as some of their principals, incorporation is essential. The corporate structure not only helps to formalize an operating structure, but it has within it a legal mechanism for self-perpetuation. Unlike the partnership, which must be dissolved if a partner leaves, the corporation continues to exist no matter how the staffing changes.

In the past, we have always felt that under most circumstances the corporation structure was most beneficial from a tax viewpoint as well as from a structural viewpoint. Although it's too soon to give any general advice, the new tax laws do offer some very specific advantages. If you are not incorporated at the moment, this might be a very good time to get some professional advice from your tax accountant. (Figure 5)

Figure 5
Corporation: (Average Profile)
(58.8% response)

Average Number of Offices	1.60
Average Number of States Covered in Territory	5.30
Average Number of Manufacturers Represented	10.28
Average Number of Salespeople	4.03
Average Number of Agencies with plans to add to their sales staff in the next 12 months	46%
Average Number of Office Staff	1.50
Years in Operation	16.78
Average Age of Principal Owner	49.65
Gross Revenue in 1986	$ 362,693.18
Gross Sales	$5,349,249.83
Agency Net	$ 56,787.88
Principal Owner Net	$ 70,278.69
Partner Net	$ 51,342.38
Established Agency	77%
Acquired Agency	19%
Result of a Merger — yes	4%
Representing Foreign Manufacturers — yes	45%
Selling Products Overseas — yes	11%
Planning to become involved in international trade — yes	17%
Agency provides warehousing	36%
Agency with a showroom	9%
Agency acts as a distributor	48%
What major markets do you sell to?	
OEM	54%
Wholesale/distributor	48%
Capital equipment in primary market	24%
Retail/mass merchandisers	13%
Capital equipment-manufacturing	29%
Government/municipalities	16%

Figure 6
Sub Chapter-S Corporation: (Average Profile)
(11.6% response)

Average Number of Offices	1.31
Average Number of States Covered in Territory	5.43
Average Number of Manufacturers Represented	10.32
Average Number of Salespeople	2.60
Average Number of Agencies with plans to add to their sales staff in the next 12 months	3.48%
Average Number of Office Staff	1.38
Years in Operation	13.13
Average Age of Principal Owner	50.84
Gross Revenue in 1986	$ 184,377.92
Gross Sales	$3,741,468.24
Agency Net	$ 35,309.96
Principal Owner Net	$ 50,826.78
Partner Net	$ 41,646.03
Established Agency	83%
Acquired Agency	16%
Result of a Merger — yes	2%
Representing Foreign Manufacturers — yes	52%
Selling Products Overseas — yes	9%
Planning to become involved in international trade — yes	11%
Agency provides warehousing	25%
Agency with a showroom	7%
Agency acts as a distributor	42%
What major markets do you sell to?	
OEM	56%
Wholesale/distributor	44%
Capital equipment in primary market	27%
Retail/mass merchandisers	16%
Capital equipment-manufacturing	31%
Government/municipalities	12%

The Sub Chapter-S Corporation

You will find very little variation between the conventional corporation and the Sub Chapter-S corporation other than sales and income figures, and number of salespeople.

The conventional corporation has about twice the number of salespeople on staff. And 46% of those with conventional corporations plan to add to their staff. By contrast, only 3.48% of those with Sub Chapter-S corporations plan to add staff. This seems to say that those who are using the conventional corporate structure are far more interested in expanding their businesses. It also suggests that the Sub Chapter-S structure might be used mainly as a way to limit liability of the owner. We have no way of arriving at this conclusion from the numbers alone. But from comments we have heard over the years by those who have chosen a Sub Chapter-S format, this appears to be a good bet. It remains to be seen whether the new tax laws have any affect on the use of the Sub Chapter-S form of business ownership.

With half the number of salespeople, the Sub Chapter-S corporation enjoys about half the gross revenue of the conventional corporation. However, and this is interesting, the net to the owner of the Sub Chapter-S corporation is only about 30% lower than the net to the owner of the conventional corporation. If your criteria for success is based on the kind of analysis that includes an input/output calculation, you can't escape the conclusion that those running Sub Chapter-S corporations are definitely doing well. Their actual take-home dollars may be less, but this would seem to be more than offset by the lesser number of responsibilities they have with the operations they are running. (Figure 6)

Figure 7
Partnerships: (Average Profile)
(3.7% response)

Average Number of Offices	1.73
Average Number of States Covered in Territory	4.85
Average Number of Manufacturers Represented	11.27
Average Number of Salespeople	3.55
Average Number of Agencies with plans to add to their sales staff in the next 12 months	39%
Average Number of Office Staff	1.73
Years in Operation	15.42
Average Age of Principal Owner	50.55
Gross Revenue in 1986	$ 243,172.41
Gross Sales	$3,309,534.48
Agency Net	$ 131,078.95
Principal Owner Net	$ 58,401.81
Partner Net	$ 44,686.84
Established Agency	85%
Acquired Agency	15%
Result of a Merger — yes	21%
Representing Foreign Manufacturers — yes	55%
Selling Products Overseas — yes	3%
Planning to become involved in international trade — yes	21%
Agency provides warehousing	39%
Agency with a showroom	12%
Agency acts as a distributor	39%
What major markets do you sell to?	
OEM	39%
Wholesale/distributor	70%
Capital equipment in primary market	18%
Retail/mass merchandisers	18%
Capital equipment-manufacturing	6%
Government/municipalities	6%

Figure 8
Sole Proprietorship: (Average Profile)
(26.05% response)

Average Number of Offices	1.18
Average Number of States Covered in Territory	4.25
Average Number of Manufacturers Represented	7.94
Average Number of Salespeople	1.95
Average Number of Agencies with plans to add to their sales staff in the next 12 months	38%
Average Number of Office Staff	.86*
Years in Operation	9.88
Average Age of Principal Owner	46.89
Gross Revenue in 1986	$ 117,700.70
Gross Sales	$2,137,419.91
Agency Net	$ 53,611.60
Principal Owner Net	$ 51,985.92
Partner Net	$ 32,838.71
Established Agency	84%
Acquired Agency	9%
Agency is the result of a merger	1%
Representing Foreign Manufacturers — yes	35%
Selling Overseas — yes	7%
Planning to become involved in international trade — yes	18%
Agency provides warehousing	15%
Agency with a showroom	5%
Agency acts as a distributor	29%
What major markets do you sell to?	
OEM	75%
Wholesale distributor	46%
Capital equipment in primary market	13%
Retail/mass merchandisers	13%
Capital equipment-manufacturing	21%
Government/municipalities	15%

*Since most of the sole proprietorships are operating out of their homes they do most of the office work themselves.

■ The Agency as a Partnership

Only 3.7% of the respondents are operating as partnerships. The numbers in Figure 7 pretty much speak for themselves, but it's worth noting that partnerships represent more of a state of mind for their owners than anything else. Many people just starting out in the agency business feel that having a partner will make it a little easier for them. In essence, they are usually a little unsure of themselves, and feel that the presence of a partner can add a dimension of safety. This is often true in the early stages. However, partnerships are often characterized by stormy relationships as the business grows. It's hard to say why a 50% partner feels any differently than does a person who owns 50% of the shares of a corporation, but this seems to occur.

When the partnership relationship falters to the point of dissolution, the business must be dissolved and reformed when a partner leaves. All in all, there really aren't many advantages to the partnership unless the individuals are very well suited to each other. (Figure 7)

■ The Sole Proprietorship

The sole proprietorship is nothing to sneeze at in terms of income to the agency and to the owner. However, it's a form of ownership that has very little built into it to foster continuity. And it's a form that leaves the owner open to all sorts of liability actions, given the litigious nature of some business people today. Despite these seemingly significant drawbacks, a surprising 26.05% of our respondents operate under this form of ownership.

We suggest that if you are operating as a sole proprietor you ask your accountant if there are any advantages in changing to another form under the new tax laws. (Figure 8)

■ Warehousing, Distribution and Showrooms

Forty-three percent of the respondents told us that they acted as distributors in addition to their representation activities. This is up 3% from our last survey. The number of those who have showrooms, 8%, hasn't changed from our last survey.

Five percent more of the respondents offer warehousing this time. The figure today stands at 30%. The warehousing picture is one that many agents express interest in. They are especially interested in knowing how those who warehouse make money for their service. We didn't attempt to get at any quantitative data in this portion of our survey, but we did get a lot of write-in answers that should at least give you an idea of the range of possibilities. These responses are not in any order of importance:
• Consignment fees • Lower discounts • Purchase discounts • Extra commission percentages • Do billing at a larger markup • A percentage on merchandise shipped • Fee based on value of merchandise passing through warehouse • Additional shipping commissions • Add percentage to factory list price • A stocking and handling fee • A percentage of sales from inventory • Reimbursement of actual costs.

■ Where Are We Going?

The agency business is alive and quite well. And the trends are all in the direction that we feel are positive. There is ample evidence of strong professionalism in the agency of today. And there is more than enough evidence to show that agency owners are thinking about their businesses going on after they leave. This, we feel, is a critical issue in building strong relationships with both principals and customers today. In fact, when customers complain about sales service, they are most critical of salaried factory people who never seem to last long enough in the territory. The agency, on the other hand, represents the continuity that they want — and need.

It will be another two years before we undertake this survey again. By that time we expect to see still more positive shifts in the direction of continuity. More important to you, perhaps, we are certain that the income figures will continue to rise and that manufacturers' agents will continue to enjoy one of the highest standards of living in the entrepreneurial world today.

Good job!

Appendix

6

Canadian Trade Representatives in the United States

Washington
Canadian Embassy
2450 Massachusetts Avenue Northwest
Washington, D.C. 20008-2881
Tel: (202) 483-5505
Telex: 0089664 (DOMCAN A WSH)
Fax: (202) 293-2009

Territory:
Washington, D.C. area for U.S. government civil and defence agencies, Delaware, Maryland, Eastern Pennsylvania, Virginia

Atlanta
Canadian Consulate General
400 South Tower
One CNN Center
Atlanta, Georgia 30303-2705
Tel: (404) 577-6810
Telex: 054-2676 (DOMCAN ATL)
Fax: (404) 524-5046

Territory:
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee; (also Puerto Rico, U.S. Virgin Islands)

Boston
Canadian Consulate General
Three Copley Place, Suite 400
Boston, Massachusetts 02116
Tel: (617) 262-3760
Telex: 94-0625 (DOMCAN BSN)
Fax: (617) 262-3415

Territory:
Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; (also Saint-Pierre-et-Miquelon)

Buffalo
Canadian Consulate
One Marine Midland Center, Suite 3550
Buffalo, New York 14203-2884
Tel: (716) 852-1247
Telex: 0091329 (DOMCAN BUF)
Fax: (716) 852-1247, Ext. 205

Territory:
Western, Central and Upstate New York

Chicago
Canadian Consulate General
310 South Michigan Avenue, 12th Floor
Chicago, Illinois 60604-4295
Tel: (312) 427-1031
Telex: 00254171 (DOMCAN CGO)
Fax: (312) 992-0637

Territory:
Illinois, Missouri, Wisconsin, the Quad City region of Iowa

Cleveland
Canadian Consulate
Illuminating Building, Suite 1008
55 Public Square
Cleveland, Ohio 44113-1983
Tel: (216) 771-0150
Telex: 00985364 (DOMCAN CLV)
Fax: (216) 771-1688

Territory:
Kentucky, Ohio, West Virginia, Western Pennsylvania

Dallas
Canadian Consulate General
St. Paul Place, Suite 1700
750 St. Paul Street North
Dallas, Texas 75201-9990
Tel: (214) 922-9806
Telex: 00732637 (DOMCAN DAL)
Fax: (214) 922-9811

Territory:
Texas, Arkansas, Kansas, Louisiana, New Mexico, Oklahoma

Detroit
Canadian Consulate General
600 Renaissance Centre, Suite 1100
Detroit, Michigan 48243-1704
Tel: (313) 567-2340
Telex: 23-0715 (DOMCAN DET)
Fax: (313) 567-2164

Territory:
Michigan, Indiana, City of Toledo

Los Angeles
Canadian Consulate General
300 Grand Avenue South, 10th Floor
California Plaza
Los Angeles, California 90071
Tel: (213) 687-7432
Telex: 00674119 (DOMCAN LSA)
Fax: (213) 620-8827

Territory:
Arizona, California (10 southern counties), Clark County in Nevada

Minneapolis
Canadian Consulate General
701 – 4th Avenue South
Minneapolis, Minnesota 55415-1078
Tel: (612) 333-4641
Telex: 29-0229 (DOMCAN MPS)
Fax: (612) 332-4061

Territory:
Iowa, Nebraska, Minnesota, North Dakota, South Dakota, Montana

New York
Canadian Consulate General
1251 Avenue of the Americas
New York, New York 10020-1175
Tel: (212) 586-2400
Telex: 62014481 (DOMCAN NYK)
Fax: (212) 246-7424

Territory:
Connecticut, New Jersey, Southern New York; (also Bermuda)

San Francisco
Canadian Consulate General
One Maritime Plaza, Suite 1100
50 Fremont Street, 21st Floor
San Francisco, California 94105
Tel: (415) 981-2670
Telex: 0034321 (DOMCAN SFO)
Fax: (415) 981-2699

Territory:
California (except the 10 southern counties), Colorado, Hawaii, Nevada (except Clark County), Utah, Wyoming

Seattle
Canadian Consulate General
412 Plaza 600, Sixth and Stewart
Seattle, Washington 98101-1286
Tel: (206) 443-1777
Telex: 032-8762 (DOMCAN SEA)
Easylink 62014458
Fax: (206) 443-1782 (Day only — Ext. 107)

Territory:
Alaska, Idaho, Oregon, Washington

Appendix

7

International Trade Centres and Industry, Science and Technology Canada Offices in the Yukon and Northwest Territories

British Columbia
International Trade Centre
Scotia Tower, Suite 900
650 West Georgia Street
P.O. Box 11610
Vancouver, British Columbia
V6B 5H8

Tel: (604) 666-0434
Telex: 04-51191
Fax: (604) 666-8330

Alberta
International Trade Centre
The Cornerpoint Building
10179 – 105th Street, Suite 505
Edmonton, Alberta
T5J 3S3

Tel: (403) 420-2944
Telex: 037-2762
Fax: (403) 420-4507

Saskatchewan
International Trade Centre
105 – 21st Street East, 6th Floor
Saskatoon, Saskatchwan
S7K 0B3

Tel: (306) 975-4400
Telex: 074-2742
Fax: (306) 975-5334

Manitoba
International Trade Centre
330 Portage Avenue, Suite 608
P.O. Box 981
Winnipeg, Manitoba
R3C 2V2

Tel: (204) 983-4090
Telex: 07-57624
Fax: (204) 983-2187

Ontario
International Trade Centre
Dominion Public Building, 4th Floor
1 Front Street West
Toronto, Ontario
M5J 1A4

Tel: (416) 973-5000
Telex: 065-24378
Fax: (416) 973-8714

Quebec
International Trade Centre
Stock Exchange Tower
800 Victoria Place, 38th floor
P.O. Box 247
Montreal, Quebec
H4Z 1E8

Tel: (514) 283-8185
Telex: 055-60768
Fax: (514) 283-3302

Nova Scotia
International Trade Centre
1496 Lower Water Street
P.O. Box 940, Station M
Halifax, Nova Scotia
B3J 2V9

Tel: (902) 426-2018
Telex: 019-22525
Fax: (902) 426-2624

Prince Edward Island
International Trade Centre
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown, Prince Edward Island
C1A 7M8

Tel: (902) 566-7400
Telex: 014-44129
Fax: (902) 566-7450

New Brunswick
International Trade Centre
Assumption Place
770 Main Street
P.O. Box 1210
Moncton, New Brunswick
E1C 8P9

Tel: (506) 857-6400
Telex: 014-2200
Fax: (506) 857-6429

Newfoundland and Labrador
International Trade Centre
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9

Tel: (709) 772-4053
Telex: 016-4749
Fax: (709) 772-5093

Yukon
Industry, Science and Technology Canada
108 Lambert Street, Suite 301
Whitehorse, Yukon
Y1A 1Z2

Tel: (403) 668-4655
Telex: 014-2200
Fax: (403) 668-5003

Northwest Territories
Industry, Science and Technology Canada
P.O. Box 6100
Yellowknife, Northwest Territories
X1A 1C0

Tel: (403) 920-8568
Telex: 074-2742
Fax: (403) 873-6228

Appendix

8

Provincial Government Trade Development Offices in Canada

British Columbia
Ministry of International Business and Immigration
B.C. Enterprise Centre
750 Pacific Boulevard South
P.O. Box 19
Vancouver, British Columbia
V6B 5E7

Tel: (604) 660-3900

Alberta
Department of Economic Development and Trade
Trade Development Division
Sterling Place, 11th Floor
9940 – 106th Street
Edmonton, Alberta
T5K 2P6

Tel: (403) 427-4809

Saskatchewan
Department of Trade and Investment
Trade Promotion Branch
Bank of Montreal Building
2103 – 11th Avenue
Regina, Saskatchewan
S4P 3V7

Tel: (306) 787-2222

Manitoba
Department of Industry, Trade and Technology
Trade Branch
4 – 155 Carlton Street
Winnipeg, Manitoba
R3C 3H8

Tel: (204) 945-3172

Ontario
Department of Industry, Trade and Technology
United States and Latin America Branch
Hearst Block
900 Bay Street
Toronto, Ontario
M7A 2E1

Tel: (416) 965-5834

Quebec
Ministère des Affaires internationales
770 Sherbrooke Street West, 7th Floor
Montreal, Quebec
H3A 1G1

Tel: (514) 499-2176

New Brunswick
Department of Commerce and Technology
Trade Division
Centennial Building
P.O. Box 6000
Fredericton, New Brunswick
E3B 5H1

Tel: (506) 453-2875

Nova Scotia
Department of Industry, Trade and Technology
World Trade and Convention Centre
Market Development Center, 6th Floor
1800 Argyle Street
P.O. Box 519
Halifax, Nova Scotia
B3J 2R7

Tel: (902) 424-4242

Prince Edward Island
Prince Edward Island Development Agency
Marketing Group
West Royalty Industrial Park
West Royalty, Prince Edward Island
C1E 1B0

Tel: (902) 368-5800

Newfoundland
Department of Development and Tourism
Trade Investment and Promotion Branch
Confederation Building
New Annex, 4th Floor
P.O. Box 4750
St. John's, Newfoundland
A1C 5T7

Tel: (709) 576-2788

Appendix

9

Sources of Information about Agents by Industry Sector

Please note: The following list of contacts represents a sampling of hundreds of sectoral associations of sales agents located throughout the United States. The Department of External Affairs does not accept responsibility for recent changes to the listings as they appear here, or for the type of information which these associations offer. The Canadian consulates' Commercial Divisions can provide additional contacts to Canadian companies which are committed to exporting. It is recommended that new exporters contact the Commercial Divisions first for advice and names of agents.

Agricultural Machinery:

Agricultural and Industrial Manufacturers' Representatives Association (AIMRA)
5845 Horton Road, Suite 201
Mission, Kansas 66202 U.S.A.
Tel: (913) 262-4511

Apparel:

Central West Market Association
(Ladies'/Children's Apparel & Accessories)
c/o Ms. Jan Olinger
268 North 115th Street, Suite 3
Omaha, Nebraska 68154 U.S.A.
Tel: (402) 330-5017

Iowa Fashion Mart
(Ladies'/Children's Apparel & Accessories)
c/o Ms. Patty Shelley
P.O. Box 7535
Des Moines, Louisiana 50322 U.S.A.
Tel: (515) 225-2744

Men's Apparel Club of Iowa
c/o Ms. Sandy Johnson
626 South 113th Avenue
Omaha, Nebraska 68154 U.S.A.
Tel: (402) 333-7286

Midwest Ski Reps Association
(Ski Clothing/Accessories/Equipment)
c/o Ms. De Bourdaghs
P.O. Box 418
Afton, Minnesota 55001 U.S.A.
Tel: (612) 436-8723

Nebraska Men's Apparel Club
c/o Ms. Sandy Johnson
10730 Pacific #49
Omaha, Nebraska 68114 U.S.A.
Tel: (402) 333-7286

North Central Sports Mart
(Athletic Clothing/Equipment)
c/o Mr. Gene Ronning
11442 Louisiana Avenue South
Bloomington, Minnesota 55438 U.S.A.
Tel: (612) 944-6788

Northwest Salesmen's Association (NWSA)
(Ladies'/Children's Apparel & Accessories)
4052 Hyatt Merchandise Mart
1300 Nicollet Mall
Minneapolis, Minnesota 55403 U.S.A.
Tel: (612) 333-5219

Northwest Western Wear & Equipment Traveler's Association
c/o Ms. Pat Samuelson
4542 Washburn Avenue South
Minneapolis, Minnesota 55410 U.S.A.
Tel: (512) 922-5195

Upper Midwest Men's Apparel Club (UMMAC)
5161 Hyatt Merchandise Mart
1300 Nicollet Mall
Minneapolis, Minnesota 55403 U.S.A.
Tel: (612) 332-7966

Michigan Apparel Club
3000 Town Center, Suite 2550
Southfield, Michigan 48075 U.S.A.
Tel: (313) 345-4655

New York Association of Manufacturers' Representatives
1407 Broadway
New York, New York 100018 U.S.A.
Tel: (212) 354-7370 or 944-6950

Women's/Children's Apparel Club of Ohio
1443 Wilson Avenue
Columbus, Ohio 43206 U.S.A.
Tel: (614) 443-8978

Pacific N.W. Men's Apparel Club
Executive Director
2601 Elliott Avenue, No. 5103
Seattle, Washington 98121 U.S.A.
Tel: (206) 441-4207

Pacific N.W. Apparel Association
Executive Director
2601 Elliott Avenue, No. 5113
Seattle, Washington 98121 U.S.A.
Tel: (206) 728-6622

Automotive:

Automotive Affiliated Representatives, Inc.
Upper Midwest Chapter
c/o Mr. Greg Olson
Don Olson Sales Co., Inc.
6325 Cambridge Street
P.O. Box 16147
Minneapolis, Minnesota 55416 U.S.A.
Tel: (612) 925-2727

Automotive Booster Clubs International, Inc.
B-8 Chapter
c/o Mr. Leonard Giannetti, President
12845 Galaxy Avenue
Apple Valley, Minnesota 55124 U.S.A.
Tel: (612) 431-7106

Automotive Service Industry Association
Attn: Manufacturers' Reps Division
444 North Michigan Avenue
Chicago, Illinois 60611-3975 U.S.A.
Tel: (312) 836-1300

Power Transmission Representatives Association
5845 Horton, Suite 201
Mission, Kansas 66202 U.S.A.
Tel: (913) 262-4512

Auto Parts Aftermarket Association
5100 Forbes Boulevard
Lanham, Maryland 20706 U.S.A.

Automotive Affiliated Representatives Inc.
111 Wacker Drive East
Chicago, Illinois 60601 U.S.A.
Tel: (312) 644-6610

Automotive Booster Clubs International
501 Algonquin Road West
Arlington Heights, Illinois 60005-4411 U.S.A.
Tel: (312) 593-8350

Electrical Equipment Representatives Association
1308 Pennsylvania
Kansas City, Missouri 64105 U.S.A.
Tel: (816) 753-0210

North Carolina Automotive Wholesale Association
Executive Vice-President
219 Boylan Avenue North
Raleigh, North Carolina 27603 U.S.A.
Tel: (919) 821-1314

South Carolina Automotive Wholesale Association
Executive Vice-President
P.O. Box 21158
Columbia, South Carolina 29221 U.S.A.
Tel: (803) 772-3830

Tennessee Automotive Wholesale Association
Executive Vice-President
Cavalier Building, Suite 102P
95 White Bridge Road
Nashville, Tennessee 37205 U.S.A.
Tel: (615) 352-8600

Alabama Automotive Wholesalers
Executive Vice-President
958 Perry Street South
Montgomery, Alabama 36104 U.S.A.
Tel: (205) 834-1848

Florida Automotive Wholesale Association
Executive Vice-President
2013 Park Lane Street
P.O. Box 6188
Orlando, Florida 32803 U.S.A.
Tel: (303) 843-1992

Georgia Automotive Parts Association
Executive Director
2245 Dillard Street
Tucker, Georgia 30084 U.S.A.
Tel: (404) 934-7874

Mississippi Automotive Wholesale Association
Executive Secretary
322 Mart Plaza North, No. 8
Jackson, Mississippi 39206 U.S.A.
Tel: (601) 981-8150

Ohio Automotive Wholesalers Association
Executive Director
1560 Fishinger Road
Columbus, Ohio 43221 U.S.A.
Tel: (614) 451-0573

Business Machines and Computers:

American Microcomputer Dealers Association
12842 Irvine Boulevard, Suite 200A
Tustin, California 92680 U.S.A.
Tel: (714) 838-0272

National Association of Computer Stores
196 North Street
P.O. Box 1333
Stamford, Connecticut 06904 U.S.A.
Tel: (203) 323-3143

Association of Better Computer Dealers
821 Corporate Drive
Lexington, Kentucky 40503 U.S.A.
Tel: (606) 223-3804

Computer Dealers & Leasors Association
1211 Potomac Street Northwest
Washington, D.C. 20007 U.S.A.
Tel: (202) 333-0102

Chemicals and Plastics:

Sales Association of the Chemical Industry
50 – 41st Street East
New York, New York 10017 U.S.A.
Tel: (212) 686-1952

Display Industry:

National Association of Display Industries
419 Park Avenue South
New York, New York 10016 U.S.A.
Tel: (212) 213-2662

Educational/Cultural:
National Association of School Music Dealers
P.O. Box 1209
Fayetteville, North Carolina 28302 U.S.A.
Tel: (919) 483-9032

National Graphic Art Dealers Association
P.O. Box 1302
Boca Raton, Florida 33429 U.S.A.
Tel: (305) 391-4934

Electrical:
National Electrical Manufacturer's Representatives Association (NEMRA)
15 Park Circle
Centerport, New York 11721 U.S.A.
Tel: (516) 754-0505

North Central Electrical League
7600 Parklawn Avenue, Suite 403
Minneapolis, Minnesota 55435 U.S.A.
Tel: (612) 835-4808
(Not Exclusively for Reps)

Electronics:
Electronics Representatives Association (ERA)
20 Huron Street East
Chicago, Illinois 60611 U.S.A.
Tel: (312) 649-1333

Electronics Representatives Association
Cascade Chapter
P.O. Box 27187
Seattle, Washington 98125 U.S.A.
Tel: (206) 364-4250

Electronics Representatives Association (ERA)
Paul Bunyan Chapter
3030 Harbor Lane
Minneapolis, Minnesota 55441 U.S.A.
Tel: (612) 559-0332

United States Telecommunication Suppliers Association
50 Michigan Avenue North, Suite 600
Chicago, Illinois 60601 U.S.A.
Tel: (312) 782-8597

Food Products, Processed:
National Food Brokers Association
1010 Massachusetts Avenue Northwest
Washington, D.C. 20001 U.S.A.
Tel: (202) 789-2844

Association of Manufacturers' Representatives, Inc.
(Assn. of Food Brokers/Reps)
4005 West 65th Street, Room 221
Minneapolis, Minnesota 55435 U.S.A.
Tel: (612) 920-1656

Natural Product Broker Association
P.O. Box 1177
St. Augustine, Florida 32084 U.S.A.
Tel: (904) 824-5884

National Honey Packers and Dealers Association
P.O. Box 8
Edgewater, Florida 32032 U.S.A.

Footwear:
Northwest Shoe Travelers Association
c/o Ms. Donna Merchant
2720 West 43rd Street
Minneapolis, Minnesota 55410 U.S.A.
Tel: (612) 920-7757

Shoe Partners of Iowa
c/o Ms. Anita Armstrong
702 South 13th
Oskaloosa, Iowa 52577 U.S.A.
Tel: (515) 673-5721

Omaha Caravan
c/o Mr. Gary Greenfield
7851 Miami
Omaha, Nebraska 68134 U.S.A.
Tel: (402) 393-5762

Pacific N.W. Shoe Travellers
Executive Director
2601 Elliott Avenue, No. 5105
Seattle, Washington 98121 U.S.A.
Tel: (206) 441-1626

Furniture:
Greater New York Home Furnishings Association
200 Lexington Avenue
New York, New York 10016 U.S.A.
Tel: (212) 725-0091

New Jersey Furniture Association
669 Nassau Street
New Brunswick, New Jersey 08902 U.S.A.
Tel: (201) 249-4240

New Jersey Furniture Manufacturers Reps
26 Long View Road
Livingston, New Jersey 07039 U.S.A.
Tel: (201) 992-4844

North Central Home Furnishings Representatives Assn.
International Market Square
275 Market Street
Minneapolis, Minnesota 55405 U.S.A.
Tel: (612) 338-8380

National Home Fashions League
200 Lexington Avenue
New York, New York 10016 U.S.A.
Tel: (212) 686-6020

National Wholesale Furniture Association
P.O. Box 1209
Fayetteville, North Carolina 28302 U.S.A.

Giftware:
Upper Midwest Allied Gift Association (UMAGA)
c/o Mr. Stan Hultberg
Minneapolis Gift Mart
10301 Bren Road West
Minnetonka, Minnesota 55343 U.S.A.
Tel: (612) 932-7200

Government Procurement:
Government Contracts Association
Detroit Chapter
P.O. Box 954
Royal Oak, Michigan 48058 U.S.A.

Graphic Art:
National Graphic Art Dealers Association
P.O. Box 1302
Boca Raton, Florida 33429 U.S.A.
Tel: (404) 634-3434

Hardware/Industrial:
Association of Industry Manufacturers Representatives
5845 Horton St., Suite 201
Mission, Kansas 66202 U.S.A.
Tel: (913) 262-0163

Industrial Manufacturers Representatives Association
Executive Secretary
Building 42, 4th Floor
3615 Superior Avenue
Cleveland, Ohio 44114 U.S.A.

Power Transmission Representatives Association
5845 Horton, Suite 201
Mission, Kansas 66202 U.S.A.
Tel: (913) 262-4512

Home Appliances/Commercial Equipment:
Air Conditioning and Refrigeration Wholesalers Association
1351 Federal Highway South
P.O. Box 640
Deerfield Beach, Florida 33441 U.S.A.
Tel: (305) 421-5500

Plumbing, Heating, Cooling Manufacturers' Club
9008 Morgan Avenue South
Minneapolis, Minnesota 55431 U.S.A.
Tel: (612) 888-5833
(Reps Only)

Home Furnishings:
Carpet Manufacturers Marketing Association
1300 Emory Square
Emory Street West
Dalton, Georgia 30720 U.S.A.
Tel: (404) 278-4101

National Home Fashions League
200 Lexington Avenue
New York, New York 10016 U.S.A.
Tel: (212) 686-6020

North Central Home Furnishings Representatives Assn.
International Market Square
275 Market Street
Minneapolis, Minnesota 55405 U.S.A.
Tel: (612) 338-8380

Northwest Travellers of the Home Furnishings Industry
Washington Chapter
President
648 Ferndale Place Northeast
Renton, Washington 98056 U.S.A.
Tel: (206) 226-1393

Northwest Travellers of the Home Furnishings Industry
Oregon Chapter
President
3129 Bryce Street Northeast
Portland, Oregon 97212 U.S.A.
Tel: (503) 287-6660

Hospitality/Food:
Marketing Agents for the Food Service Industry
15 Park Circle
Centerport, New York 11721 U.S.A.
Tel: (516) 754-0508

Housewares:
Northwest Hardware-Housewares Club
c/o Ms. Margy Ulrich
8424 West River Road
Minneapolis, Minnesota 55444 U.S.A.
Tel: (612) 561-6503

Pot and Kettle Club
Secretary
318 – 177th Street Northwest
Seattle, Washington 98177 U.S.A.
Tel: (206) 284-6440

Industrial Control Equipment/Pollution Control:
Manufacturers' Agents National Association
23016 Mill Creek Road
P.O. Box 3467
Laguna Hills, California 92654 U.S.A.
Tel: (714) 859-4040

Interior Design:
American Society of Interior Designers (A.S.I.D.)
National Headquarters
1430 Broadway
New York, New York 10036 U.S.A.
Tel: (212) 685-3480

New York Chapter
200 Lexington Avenue
New York, New York 10016 U.S.A.
Tel: (212) 685-3480

Jewelry:
Southern Jewelry Travelers Association
1655 Tullie Circle, Suite 102
Atlanta, Georgia 30329 U.S.A.
Tel: (404) 634-3434

24K Midwest Inc.
c/o Ms. Tamara Pinsel
4174 Meadowland Way
Eagan, Minnesota 55122 U.S.A.
Tel: (612) 452-8669

Leisure/Sporting Goods Equipment:
North Central Sports Mart
(Athletic Clothing/Equipment)
c/o Mr. Gene Ronning
11442 Louisiana Avenue South
Bloomington, Minnesota 55438 U.S.A.
Tel: (612) 944-6788

Midwest Ski Reps Association
(Ski Clothing/Accessories/Equipment)
c/o Ms. De Bourdaghs
P.O. Box 418
Afton, Minnesota 55001 U.S.A.
Tel: (612) 436-8723

Sporting Goods Agents Association
P.O. Box 998
Morton Grove, Illinois 60053 U.S.A.
Tel: (312) 296-3670

Western Winter Sports Representatives Association
Executive Director
2621 Thorndyke Avenue West
Seattle, Washington 98199 U.S.A.
Tel: (206) 364-4250

Lumber:
North American Wholesale Lumber Association
2340 Arlington Heights Road, Suite 680
Arlington Heights, Illinois 60005 U.S.A.
Tel: (312) 981-8630

Machinery, Production Machinery Equipment:
Agricultural & Industrial Manufacturers' Representatives Association (AIMRA)
5845 Horton Road, Suite 201
Mission, Kansas 66202 U.S.A.
Tel: (913) 262-4511

Manufacturers' Agents National Association
23016 Mill Creek Road
P.O. Box 3467
Laguna Hills, California 92654 U.S.A.
Tel: (714) 859-4040

Marine:
North Central Marine Association
1000 East 46th Street, Suite 121
Burnsville, Minnesota 55337 U.S.A.
Tel: (612) 431-3000
(Includes Reps)

N.W. Marine Trade Association
Executive Director
1900 Northlake Way North
Seattle, Washington 98105 U.S.A.
Tel: (206) 634-0911

Medical and Pharmaceutical Products:
Health Industry Representatives Association
P.O. Box 1321
Mission, Kansas 66222 U.S.A.
Tel: (212) 686-1952

Metals, Processed and Fabricators:
Manufacturers' Agents National Association
23016 Mill Creek Road
P.O. Box 3467
Laguna Hills, California 92654 U.S.A.
Tel: (714) 859-4040

Oil & Gas Equipment:
Petroleum Equipment Representatives Association
5845 Horton Road, Suite 201
Mission, Kansas 66202 U.S.A.
Tel: (913) 262-4511

Plastics/Paper:
Manufacturers Representatives of America
P.O. Box 150229
Arlington, Texas 76015 U.S.A.
Tel: (817) 465-5511

Refrigeration:
Air Conditioning and Refrigeration Wholesalers Association
1351 Federal Highway South
P.O. Box 640
Deerfield Beach, Florida 33441 U.S.A.
Tel: (305) 421-5500

Textiles:
Carpet Manufacturers Marketing Association
1300 Emory Square
Emory Street West
Dalton, Georgia 30720 U.S.A.
Tel: (404) 278-4101

Toys:
The Southeastern Toy Travelers Association Inc.
P.O. Box 930219
Norcross, Georgia 300093 U.S.A.
Tel: (404) 449-8444

Pacific N.W. Toy Association
Executive Director
2601 Elliott Avenue, No. 5105
Seattle, Washington 98121
Tel: (206) 441-1881

Wood and Wood Products:
North American Wholesale Lumber Association
2340 Arlington Heights Road South, Suite 680
Arlington Heights, Illinois 60005 U.S.A.
Tel: (312) 981-8630

Appendix

10

National Associations of U.S. Agents

Manufacturers' Agents National Association (MANA)
23016 Mill Creek Road
P.O. Box 3467
Laguna Hills, California 92654 U.S.A.
Tel: (714) 859-4040

Society of Manufacturers' Representatives Inc.
30555 Southfield Road, Suite 255
Southfield, Michigan 48075 U.S.A.
Tel: (313) 646-3331

Manufacturers' Representatives of America
P.O. Box 150229
Arlington, Texas 76015 U.S.A.
Tel: (817) 465-5511

National Association of Wholesalers-Distributors
1725 K. Street Northwest
Washington, D.C. 20005 U.S.A.
Tel: (202) 872-0885

American Marketing Association
222 Riverside Plaza South
Chicago, Illinois 60606 U.S.A.
Tel: (312) 648-0536

Direct Mail Marketing Association
6 – 43rd Street East
New York, New York 10017 U.S.A.
Tel: (212) 689-4977

National Mail Order Association
5818 Venice Boulevard
Los Angeles, California 90019 U.S.A.
Tel: (213) 934-7986

Appendix

11

Relevant Publications

A. Publications on the Manufacturer-Agent Relationship

AAR 1987 Membership Directory. Automotive Affiliated Representatives, Inc., 111 E. Wacker Drive, Suite 600, Chicago, Illinois 60601, U.S.A. Tel: (312) 644-6610.

Agency Sales Magazine*. Manufacturers' Agents National Association, P.O. Box 3467, Laguna Hills, California 92654, U.S.A. Tel: (714) 859-4040. Price: $50 Cdn.

Directory of Manufacturers' Sales Agencies*. Annual Members Directory. Manufacturers' Agents National Association, P.O. Box 3467, Laguna Hills, California 92654-1277, U.S.A. Tel: (714) 859-4040. Price: $105 Cdn.

How to Select Food Brokers. National Food Brokers Association, 1010 Massachusetts Avenue, Northwest, Washington, D.C. 20001, U.S.A. Tel: (202) 789-2844.

The Manufacturers' Guide: Dealing with Agents*. Gordon Rogers. Manufacturers' Agents Association of North America, 15 Toronto Street, Suite 200, Toronto, Ontario, M5C 2R1. Tel: (416) 923-5819. Price: $38 Cdn.

National Trade and Professional Associations of the U.S.* Directory (NTPA). Columbia Books Inc., 1350 New York Avenue Northwest, Suite 207, Washington, D.C. 20005, U.S.A. Tel: (202) 737-3777. Price $50 US prepaid.

Export Techniques*. J.R. Arnold. P.O. Box 6122, Depot No. 1, Victoria, British Columbia, V8P 5L8.

* There is either a subscription fee or a purchase price for the publications marked by an asterisk.

B. Publications on Exporting to the United States

The following publications contain valuable information for Canadian companies planning to export their products or services to certain American market sectors.

You can order a copy of any of the following publications by calling the Info Export Office at the Department of External Affairs, toll-free: 1-800-267-8376.

Please note: Quantities of some publications are limited.

Guide to Apparel Trade Shows in the U.S. (English, French, February 1988).

Market Studies of United States: Shipping to Northeastern States and other U.S. Markets — Transportation Hints for Exporters in New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island (English, French, 1986).

A Market Study of Major Purchasers of Frozen Fish and Shellfish for the Foodservice Sector (Bilingual, June 1988).

Market Studies of United States: A Report on a Study on the Market for Cardiac Products in the Mid-Atlantic States (English, French, 1982).

Market Studies of United States: An Analysis of Market Opportunities for Selected Canadian Residential Heating Equipment in the Northeast U.S.A. (English, French, 1985).

Market Studies of United States: Pulp and Paper Mill Machinery, Southeastern U.S.A. (English, French, 1985).

Precision, Planning and Perseverance: Exporting Architectural Services to the United States (English, French, February 1988).

You can order a copy of the following two publications by contacting the Defence Programs Bureau, United States Division (TDU), Department of External Affairs, Ottawa. Tel: (613) 996-1814.

Canadian Industry and the United States Defence Market (English, French, 1987).

United States — Canada Defence Production Sharing Program (English, French, 1981).

C. Publications on Exporting

CanadExport, Biweekly newsletter, Department of External Affairs, Ottawa. Available by registering for regular mailing list, through Info Export Office, toll-free 1-800-267-8376. (English or French)

Fisheries Export Handbook. Department of Fisheries and Oceans, Communications Directorate, 240 Sparks Street, Ottawa, Ontario, K1A 0E6. Tel: (613) 993-0999. (English or French)

So You Want to Export? A resource book for Canadian exporters. Department of External Affairs, Ottawa. Call Info Export Office, toll-free 1-800-267-8376. (English or French)

Understanding Export*, Canadian Manufacturers' Association, 1 Yonge Street, 14th Floor, Toronto, Ontario, M5E 1J9. Tel: (416) 363-7261. Price $22.50 Cdn.

* There is either a subscription fee or a purchase price for the publications marked by an asterisk.

(Publié également en français)